

National Transportation Act, 1986

committee has exactly the same powers as the old standing committees had in dealing with legislation. The rule spells out clearly what is to be done, how, and when, and when the committee ceases to exist. The persons involved in a legislative committee to deal with Bill C-18 would very likely be the same persons who normally sit on the Standing Committee on Transport who are knowledgeable and familiar with the subject.

Reform, from the election of the Speaker down to the finest detail, in my opinion, has been well received in this House. I think it can be proven by example that the reform conditions have done the House a great deal of good. I see no justification for not dealing with this Bill, which is of major significance to the country, in exactly the same way. I strongly suggest that this is what should happen to it.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to make some very brief submissions on Bill C-18. Bill C-18 is an extensive and comprehensive piece of legislation comprised of approximately 370 pages. The Liberal Party supports in principle the concept of deregulation. However, we do have some very serious concerns about how the Government is proceeding with Bill C-18.

As has been indicated by other Hon. Members in the House, deregulation will affect every Canadian. A number of interest groups, organizations and companies directly affected by deregulation have expressed some very profound concerns with regard to this Bill. I have a number of press clippings which address Bill C-18.

A story in the *Montreal Gazette* on Tuesday, October 8, 1985, was headlined: "Deregulation will hurt us, CP Rail says". The headline to an editorial in the *Winnipeg Free Press* reads: "Deregulation dangerous". A story in the *Winnipeg Free Press* was titled: "Truckers warned province loser in deregulation". The *Ottawa Citizen* carried an article entitled: "Industry officials fear deregulation plan will run Canadian truckers off the road". The list goes on.

It is clear that the interest groups involved are somewhat concerned about the lack of consultation to date with regard to Bill C-18. The Transport Committee was allotted two months to study *Freedom to Move*. The committee was unable to visit Newfoundland, Prince Edward Island, New Brunswick, Quebec, Ontario, Saskatchewan, Alberta and Canada's North. More important, the Standing Committee on Transport has been unable to review airline deregulation in the United States which has been in place since 1978.

Given the implications of Bill C-18 and the effect it will have on Canadians, we believe that we should proceed more cautiously with it. The Bill is primarily designed to revamp the National Transportation Act which was brought in in 1967 by the Hon. Jack Pickersgill who was then the Minister of Transport in the administration of Lester Pearson. The stated purpose of Bill C-18 is to increase competition in the transportation sector by removing certain regulations which hinder the

ability to compete. The modes of transportation affected by deregulation measures in this Bill are rail, air and trucking.

Canadians are asking themselves how deregulation will affect them and their families. We are told that as a result of deregulation the prices will be lower. We are also told that consumers will have more choice in modes of transportation.

The United States embarked upon deregulation in 1978. It is important to consider the American experience in addressing some of the concerns which have been raised in Canada. At times there appears to be a desire by the Government to march lock-step with the United States and deregulations there.

With regard to employment, we are concerned that employees in the airline industry will face massive lay-offs and displacement. That seems logical since one of the effects of deregulation will be that transportation companies will be able to cut costs. It seems logical that one of the ways to cut costs is to reduce the number of employees in any particular industry.

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Deregulation was introduced in 1978 in the United States. From 1980 to 1985, 40,000 airline employees lost their jobs. What impact will Bill C-18 have on the employment picture in Canada? If the American experience is one we wish to look to, we can expect in Canada a considerable loss of jobs. The legislation contains no provision whatsoever to protect employment in the airline industry. There is nothing in this Bill to bind airline companies to compensate displaced workers or to give fair warning before layoffs.

It is believed that increased competition will lead to the cutting of costs, a movement towards a "no frills" strategy, route abandonment and a greater propensity to failure, all of which will lead to reduced employment opportunities and layoffs. Bill C-18 offers absolutely no provisions to offset the probable negative impact that deregulation would have on labour in the transportation sector, despite the evidence in black and white of the dislocation problems encountered in the United States as a result of deregulation.

At committee stage, when the *Freedom to Move* paper was considered, we strongly proposed that safeguards be legislated and that new labour management agreements be encouraged. Agreements dealing with security, classification and retraining in the airline industry would also ease the impact of employment loss. The major concern of the Liberal Party is the potential loss of employment here in Canada. We all know that unemployment is one of the biggest problems facing Canadians.

We are also concerned with respect to the issue of safety. We regret that the legislation contains no safeguards preventing situations which would effectively reduce safety standards in the airline industry. The American experience has shown us that this is a real danger. Our position with regard to safety is based on four major observations. First, deregulation brings on a substantial increase in competition which in lean and more difficult times leads to few remaining options in cost-cutting