

*National Transportation Act, 1986*

Canadians produce each year \$500 billion worth of goods and services, including about \$300 billion in goods. We export \$120 billion of these goods abroad, including \$95 billion to the United States. If our transport deregulation policy results in a lower product cost for Canadians and foreign importers, it will have been a success. I would like to quote a few figures to show the importance of transportation costs in the Canadian production process.

In the case of a resource industry such as agriculture, for instance, when the product gets into the hands of the first purchaser, that is a wholesaler or a secondary processor, transport already accounts for 3.2 per cent; for iron and other mining products, 10.8 per cent, for coal, 9 per cent; for asbestos, 10.3 per cent; for gypsum, 51 per cent, and I believe that most Canadians are surrounded by gypsum, at least in their own homes. In the case of salt, transport accounts for 38 per cent of the cost; for gravel and sand, 26 per cent.

If we look at the manufacturing industry and at the difference made by transportation costs before the products are delivered to the wholesalers, and these figures are to be added to those I have already mentioned, we find transportation costs of 10.9 per cent for sawmills, 5.3 per cent for pulp and paper industries, 5.3 per cent for aluminium ingots, 10 per cent for petroleum and coal products, that is for more of less refined hydrocarbons, 8.5 per cent for fertilizers, and so on.

Mr. Speaker, all that goes to show that transport has a very substantial effect on the cost of our products. That is why we are trying today to lower the cost of our products. We have only to look around us to discover the hidden cost of transport in either longlasting or more perishable consumer products, whether we are speaking about a television set, which contains refined hydrocarbons, plastic items, which contain copper and various other metals, our homes, furniture and light fixtures, the exported fruit we eat, the meat which costs a lot of money to transport, candy, or whatever. Each day, a Canadian family pays maybe 20 or 30 per cent of what it spends on consumer products for transport.

That is why in order to enable private enterprise to be more imaginative and to reduce costs, we will implement and stand up to our deregulation project firstly to reduce costs to the Canadian consumer and, secondly, as I mentioned earlier, we will do so to facilitate our access to the exportation markets. We know that percentages in the costs of an item are all important: 2 per cent, 5 per cent, 7 per cent. And often that narrow percentage is enough to help sell our products abroad. That is why in our belief that private enterprise is inventive enough and can rationalize our means of transportation, we will reduce costs. Consumers will take advantage of reduced transportation rates in relation with the cost of their products.

In the same way, since we have been in power in September 1984, Mr. Speaker, consumers have seen the reduction in the Bank of Canada rate down to 7.5 per cent. This is the first time since 1973. It is embarrassing to say the Liberal administration with the agreement of the Socialists, forced Canadians to pay up to 22.75 per cent interest in 1981. Meanwhile, the Government of Canada was borrowing billions of dollars, and generations of Canadians, we, our children and grandchildren

will have to pay. Our transport legislation, however, will make goods cheaper, and that is important. By making goods cheaper, and this is something the Liberals have never understood, we are enhancing our competitive position on export markets, especially in the U.S., which means it is easier to compete and get better orders.

Our Government has given the private sector, the business shakers and movers, the task to make Canadians come out winners in a new world economy where it is becoming increasingly difficult to compete. However, by giving the experts in the private sector the best possible conditions for competing on foreign markets, we will succeed. We will not if we leave it up to the technocrats and the senior bureaucracy who are too far removed from these problems.

In October 1980, the United States passed the Staggers Rail Act. This is a piece of American legislation. The U.S., with its 225 million people and a Government that takes its responsibilities seriously, one of the strongest governments in the world, decided it was time to deregulate the transportation sector. I believe that at the time, our own Government did not realize how important it was to make this adjustment to the economic situation, and during the four subsequent years, our Government never made the slightest move towards deregulation, in other words, towards adjusting to modern production and distribution methods. What results has deregulation had in the U.S.? One important result has been that competition has made goods cheaper. That is what happened in the United States and it will happen here.

Meanwhile, the Canadians under the Liberals did not have an opportunity to compete with the United States. Anything but. The Liberals' failure to act has led to the development of bypass systems in the United States, so that telephone calls from Eastern Canada are routed across the American border and then back on the West Coast. Highway transportation has followed the same route, and the same goes for railway freight. Ingenious Canadians have had to adjust to the U.S. legislation and live with the inaction of the Liberals who were in power at the time. Since 1980 we have been losing our transport companies, while the United States benefitted from the situation. There were many similar developments, Mr. Speaker.

It is high time we amended our transportation legislation. I think one of the main arguments in favour was made in the landmark speech on December 19, 1986 by the Minister of Transport. Mr. Speaker, I shall, if I may, quote the Minister of Transport.

Our regulatory regime today impedes—that is the tendency—rather than supports economic development. It stifles competition in all modes of transportation. It reduces the competitiveness of our producers and the free movement of goods and people. If we do not have an efficient and effective transportation system, everyone who manufactures goods or provides services here in Canada is at a disadvantage compared with his competitors in the rest of the world. That is why