

*National Transportation Act, 1986*

through their American subsidiaries, are no strangers to these new rules.

The other part of the rail reforms restores stability where an imbalance was created because of the growth in the number of captive shippers since the 1967 Act was passed. This has been a growing problem since the mid-1970s. It is an issue which has been discussed and studied for a number of years. The Government is proposing a solution. Captive shippers have been at a disadvantage for far too long. Now is the time to correct this problem. As I have illustrated, the market-place demands that economic regulation catch up with reality, and our carriers are ready for these reforms.

Regulation of transportation has played an important role in the development of our nation and its economy. Our transportation industry and other industries have matured. The world is a far more competitive place than it was even a few years ago, let alone 20 years ago when transportation regulation was last revised. To meet the challenges of today and tomorrow, our producers must become more competitive and innovative, and transportation services will always be a crucial element in their competitiveness.

No wonder we have asked ourselves seriously what can be done to make our transportation industry more competitive. Extensive consultations on what should be done have been undertaken with shippers, carriers, travellers, Members of the House, provincial Governments and the general public. The answer which has emerged from these consultations is to regulate less and smarter and to let the market forces determine to the greatest possible extent what services are available at what prices, not everywhere, however, and not in all cases. Some areas still need some protection from deregulation.

Therefore, the package of reforms includes some provisions to protect the public interest in certain regions, especially in the North. I appreciate the opportunity to speak on this Bill.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, it is a pleasure to participate in this debate. I am sorry, however, that Bill C-18, as put forward by the Government, and as praised in those laudatory speeches prepared by the Government Research Bureau or the Minister's office for the Hon. Members taking part in debate, is before us. I think there are a lot of questions government Members should answer before they return to their constituents and tell them what a wonderful idea Bill C-18 is. These are questions which form a core of government policy, where, I think, the Conservative policies are extremely questionable.

What the whole question of deregulation or reregulation, whatever it is the Government says it is doing with Bill C-18, amounts to is the Americanization of transportation regulation in Canada.

I go back to the days of Sir John A. Macdonald who, I think, would be turning in his grave at what his supposed heirs in the Conservative Party are doing after what he wrought, what he thought was important to create. He tried to bring this country together from sea verily unto sea by means of the

construction of the Canadian Pacific Railway. Although it was a private enterprise venture, the Canadian Pacific Railway, that band of steel which brought our country together—which was part of the agreement under which British Columbia came into Confederation in the first place—was only created because of public initiative and funding. The land grants made by the Government of Canada at that time, the money which was advanced to the Canadian Pacific so it could complete construction and more or less meet the deadlines agreed to at the time of Confederation, were a sign of the partnership between public initiative and private enterprise which in fact marked a great deal of the construction of this country.

The Americanization of transport regulation means that the Government suggests that competition above all should be what is directing the operations of our transportation industry. I want to suggest to you, Mr. Speaker, that the problem with that theory is that the population density in the lower 48 states of America is about 25 or 30 times greater than the density of Canada. If one goes east of the Mississippi where the bulk of the population lives, or to the State of California, the population density is even higher. Under those circumstances, it may be possible for the Americans to have a competitive kind of system and for it to work for them. The question is, under the circumstances which are different here in Canada, will it work for Canada?

I think most Canadians are proud of what we have achieved in the area of transportation and communication. We are acknowledged throughout the world as being world leaders. We have two especially effective and efficient railways. One of the areas we lead in terms of a world class industry is the area of communications. Canada has one of the finest airlines in the world. CP Air, which is now owned by Pacific Western Airlines, was not bad, either. We have been good at these things. In fact, Canada has developed one of the most efficient and cost-effective transportation systems in the world. We can ask ourselves the question, having gone that far, if it works then why try to fix it, particularly why try to apply the kind of fix the Government, for ideological reasons, seems to want to apply?

I want to remind Hon. Members opposite that the idea that we can take everything holus-bolus from a neo-Conservative clique which surrounds President Reagan and his friends and input it into Canada is a bunch of nonsense. This is a different country. Our traditions and our geography are different. This country would not exist if we had not defied geography in order to bring the country together, linked East to West, when all the natural channels of water transportation, trade and possibly even community interest in the earlier days, would have run North South.

We have had to use public intervention to get a railway in place. We have had to use public intervention for a national airline. Perhaps my colleagues can remind me of which Party was in power when Air Canada was established.

**Mr. Rodriguez:** The Conservatives.