

Government has decided to close down debate. It has chosen to try to force-feed Canadians a particularly ideological point of view on regulation.

Ordinary Canadians do have some legitimate concerns when it comes to the transportation industry in this country. There are good and valid reasons why the present regulatory regime has been built up. There are good reasons why we seek to regulate transportation in this country. One reason, of course, is the whole question of safety.

As a consumer, one cannot check out every carrier that one may want to use for vacation or business travel. One simply cannot investigate each carrier in order to assure oneself of one's safety in transit. One of the legitimate purposes of regulation is to ensure the safety of the traveller.

When regulation is virtually eliminated and there is put in its stead an Adam Smith survival-of-the-fittest approach to competition, an environment of cutthroat competition, there is a great deal of temptation on the part of those seeking to survive to cut corners. Someone has to be looking over the shoulders of the industry to ensure that, in cutting corners, the safety of the traveller is not jeopardized. We need to have someone who will ensure that safety standards are of the highest possible.

These are the kinds of concerns that must be dealt with in the debate on the regulation of the transportation sector. The cutting off of debate can only result in there being an inadequate response to these concerns.

Canadians are concerned about the whole question of price. The Government indicates that we are going to have a honeymoon with regard to price; that we are going to get very low air fares. The impression is that one is going to be able to travel almost free. Well, while there may be a honeymoon with regard to air fares between such centres as Toronto and Montreal, the high density areas of the country, I doubt very much that there will be any such honeymoon in respect of regional centres such as Winnipeg. As well, a honeymoon is a short-term proposition. We all know that. What about the long term? What are the long-term consequences for price in a deregulated environment?

In that regard, let me quote from an article which deals with some of the research on deregulation in the United States. I quote from an article in *Traffic World* of April 20, 1987:

Deregulation has spurred rail, motor and airline carriers toward an "oligopoly in each of the modes," said L. Leslie Waters, Indiana University professor emeritus of transportation and business history—

Up to now, there has been "an enormous volume of rate cutting and many have been pleased; we as shippers have been enjoying a lengthy period of reasonably good service at moderate rates in relation to the economy," —But he warned, "shippers had better enjoy it, because the forces of oligopoly will prevail, and even without overt collusion, rates will increase and shippers will be lobbying for reimposition of regulations—just as some are now in the case of railroads."

What Professor Waters is saying is that while we may get lower prices at the beginning of deregulation, given that the ownership of the industry will fall into fewer and fewer hands,

which is what I understand the term "oligopoly" to mean, prices will eventually increase.

These are the kinds of questions that have to be answered before this Bill passes into law. In terms of the situation south of the border, we hear that the Americans are getting a good deal on price. Well, the U.S. presents a much different circumstance from that which exists in Canada. We are walking blind if we think that deregulation will have a similar impact in Canada to that in the U.S., with its much larger population and much different geography.

In summary, what I am saying is that the Government, rather than closing off debate on this measure, cutting off the input of Canadians, should be opening up this legislation to further examination. Canadians have real concerns in the area of safety, in the area of price. The Government should permit the continuation of the discussion until those concerns are met in an adequate way, rather than pushing this legislation through.

• (1250)

Mr. Joe Reid (St. Catharines): Madam Speaker, I should like to relate the importance of the economic benefits which will follow the passage of the transportation Bills, but after listening to Hon. Members opposite, I am mindful of the ancient quote, "Nero fiddles while Rome burns".

I do not have to say anything to Hon. Members of the House about the great economic benefits and importance of freer trade to Canada as an exporting nation, nor do I have to point out that our higher standard of living is primarily based upon our export trade. We in this country are, perhaps more than any other country, concerned about the cost of transporting our goods to market, be they manufactured goods or raw products. Goodness knows, many of us are still hewers of wood and drawers of water, vendors of raw resources. The problem is that the world around us is becoming much more competitive. As each country becomes more competitive minded, it looks at ways and means of reducing its costs. Canada cannot do otherwise. Canada must do likewise, because the cost of getting goods to market is of extreme importance.

These reforms are needed because the existing economic regulatory scheme for transportation, introduced over 20 years ago, now impedes rather than helps our competitive growth. Competition has been stifled while the regulatory process has become cumbersome, time consuming, and costly. Put simply, the market-place demands that economic regulation catch up to this reality.

If we did not manufacture and produce or sell what we manufacture and produce, perhaps we would not have to be concerned about the carrier. However, the shippers are saying, "Get on with the job that you started over two years ago". The Coalition of Concerned Shippers and shippers generally, particularly rail captive shippers, cry out, "How long will we continue to be so captive?" In their great numbers they are saying, "We support the Government in its desire to introduce