

National Transportation Act, 1986

[Translation]

In Canada, Mr. Speaker, we simply want to ensure that we do not take the same route. On the other hand, we want for Canada a safe, comfortable air transport system, with fair rates and a high quality of service, and we sincerely believe that on those matters, Bill C-18 fails miserably. This leads us to the matter of air fares over the last two years.

The Minister of Transport attempted to promote his de-regulation proposal by suggesting to Canadians that Canada's air carrier rates would be reduced because of de-regulation. In the meantime, both the President of Air Canada and the President of CP Air stated in evidence before the Committee on Transport that air fares had reached their lowest level, that was the bottom line, there would be of course competition between the main airlines but across Canada air fare reductions were no longer to be expected. In other words, the Canadian consumer was misled by the Minister who wanted him to believe air fares would fall significantly because of de-regulation. Indeed, the former Minister of Transport attempted to tell the same story. But to his credit, I must add the Deputy Prime Minister had the courage in June, 1986 to admit that the new National Transportation Act would have no impact on rates.

[English]

So much for lower fares, Mr. Speaker. It is clear that again the Government has lost one of its reasons for bringing total deregulation in the air industry.

[Translation]

Mr. Speaker, this Government was elected almost three years ago by promising jobs, jobs, jobs. Those were the three commitments made by the Conservative Government and, at that time, by Mr. Mulroney. Jobs, jobs, jobs! Unfortunately, he has been forced to admit that, in this area as well, the Government has not delivered. We believe that this bill will have a detrimental effect on the employment level in the transport industry. Far from creating employment, Bill C-18 will bring about a drop in highly paid full-time employment in the transport sector. Workers in the air transport industry face important layoffs and displacements. The United States transportation industry was deregulated in 1978. From 1978 to 1985, 40,000 workers in that industry lost their jobs. We think that repeating the American experience here would have the same effects. It is obvious to us that in their effort to rationalize their operations, the air carriers would cut down on their staff. This is already being felt ever since CP Air has been taken over by Pacific Western and there is talk of rationalizing operations. And I predict that we will see between 1,200 and 2,000 layoffs or job losses in that Canadian company alone.

And I am not talking about other companies which could be affected by the bill but about the new company which is now called Canadian Airlines and which, in a context of deregulation, has benefited from the happy-go-lucky attitude displayed by the Minister of Transport (Mr. Crosbie) and by the Minister of Consumer and Corporate Affairs (Mr. Andre),

who is responsible for competitions policy in Canada, in allowing an excessive degree of concentration in the air transport sector which will directly result in the layoff of hundreds of workers of the former companies, that is to say Quebecair, Nordair, Pacific Western or Canadian Pacific, or even Eastern Provincial.

What will happen as a result of the consolidation of these five companies into one? Jobs will be lost. It is bound to happen. What we in the Liberal party find is wrong with this legislation is that it does nothing to protect jobs in the air transportation industry. Nothing is provided to force air carriers to compensate workers who would have to move in order to keep their jobs or give them proper notice in case of lay off. We consider that the increased competition will lead the companies to cut their costs, to take up a strategy of bare minimum, to abandon certain routes and to run a greater risk of bankruptcy. All those consequences will result in less job opportunities and more lay offs.

This legislation does not include any provision able to counter the likely negative impacts deregulation will have on the work force in the transport industry, while we have before us the most eloquent example of problems generated in the United States by deregulation.

Allow me to quote from the brief presented by the Brotherhood of Railways and Airline Clerks before the Standing Committee on Transport at our hearings in Vancouver last March. We would have hoped that the Government had paid careful attention to that brief submitted by that union which had done an outstanding work to bring to the attention of the committee members some very relevant points of view, and I quote:

• (1940)

[English]

However, one fact about deregulation that we will not dispute is that the airlines will use it as an opportunity to cut costs. The supporters of deregulation have clearly indicated that the major portion of this cost-cutting will be achieved at the expense of workers.

At a hearing of this Committee in November, 1985, when asked "what specific steps would an organization" such as his take in order to change the profit picture, Donald Carty, (then President of CP Air), provided the following action plan: 1. "go from three-fleet types to two" 2. increase the use of "automation"; and 3. make changes to "our labour contracts."

It would appear accurate to suggest that such cost-cutting measures would have a negative impact on both present and future workers of any organization. The recognition of who will suffer most in the implementation of deregulation has also been highlighted by transport economists. Professor Tretheway of UBC has suggested that, "some of the gainers from deregulation, consumers, may have some obligation to the losers, the employees—"

While the proposed Canadian legislation has followed the U.S. direction of recognizing the needs of shippers, consumers and carriers, it has failed to follow the U.S. legislators in at least attempting to provide for the needs of workers in the transportation industry. The Transport Minister has suggested that the Canadian Bill is an improvement on the U.S. law as "We (learned) our lessons from what has happened there." One improvement which we believe Canada should have made on the U.S. legislation, is a more effective employment protection package. . . . To ignore this issue is to fail to recognize that the elements which have created the stable industrial relations system in the airline sector are a natural product of having operated in a regulated environment.