

*National Transportation Act, 1986*

The Minister and the Government talk about competition and free market forces. There has been more concentration in the airline industry. We used to have eight large airlines, six regional and two national, and we now have the two. Both of them have operating and licensing arrangements with small feeder airlines which ensure that between the two of them they will control between 80 per cent and 90 per cent of all airline traffic in the country, and these guys talk about competition.

The market is only large enough for a certain number of airlines. When it is thrown wide open one of two things result. There are either a whole lot of new entrants which take turns going broke, or mergers, takeovers, bankruptcies and concentration. There were new entrants, which are now all tied in with the two majors. There are very few left which are not tied in because they could not survive by themselves out in the jungle in competition with the big boys.

The Government talks about market forces. A good free-enterpriser in the free market lets the market decide whether you have to cut the cost down to damn near nothing or charge all you can get. If the Government believes that, why are there confidential rates? That is probably the most anti-competitive thing that can be done.

It is inevitable that small shippers and not-so-small shippers in the Atlantic provinces and western Canada, such as small manufacturers of farm implements in western Canada which might ship 50, 100, or 200 carloads a year, will be unable to negotiate a confidential contract in competition with J.I. Case, IHC or Massey-Ferguson which ship thousands of carloads a year. When the Tories say that they will be able to do that, they are dreaming in technicolour. It is anticompetitive. The very principles expressed at the beginning of the Bill are destroyed by the subsequent sections of the legislation.

Canada will always have a higher cost of economy, particularly in transportation. It is interesting to note that for years railroads in the United States have benefited from a better tax environment. As a consequence, they have higher levels of investment which has led to younger fleets of rolling-stock and has assisted them in other plant investment. That comparative tax environment is changing, but the U.S. continues to have a major advantage over Canadian railroads. U.S. railways have a much higher traffic density than Canadian roads which provides a larger base over which to spread their fixed cost load, particularly Canadian Pacific Rail's two main competitors, Burlington Northern and Conrail.

In addition to that, joint line rates are nothing more than a licence to raid the revenues of Canadian railroads, both of which have been in some financial difficulties for the past year or two and will continue to be for another year or two. To allow American railroads to do things in Canada which Canadian railroads cannot do in the United States is more grovelling and snivelling to Washington.

The Americans do not allow competitive line rates, but we do. Therefore, Burlington Northern, Conrail and Milwaukee Road, with their connections at the Canadian border, can

move their trains on Canadian tracks at less than the fixed costs of Canadian railroads. What kind of competition is that?

Deregulation leads to another kind of extension of the jungle, the ease of entry and exit in the case of the airline and trucking industries. If you can get a loan at the bank, lease some tractors or second-hand aircraft, hire laid-off crews at one-third the pay, and get your insurance, you are in business. That is why there are so many jerkwater, fly-by-night trucking companies and airlines operating in the United States today, some of which are trying to operate in Canada. The reputable, long-established transporter who has good maintenance and safety practices, infrastructure, mechanics, and employees in all categories, are given a bad name because of this.

The whole Bill is an appeal to mediocrity and a decrease in the quality and frequency of service for Canadians. It destroys job security. We have lost tens of thousands of jobs in the transport sector, particularly on the railroads. Both railroads have told us that by 1991 they want to get rid of another 15,000 miles of track and another 15,000 employees.

They forget that transportation is a public utility whether publicly or privately owned. It is there to provide a service. Transportation is the foundation of any economy which will grow and thrive. To turn it into a deregulated jungle will be doing a major disservice to the people of this country.

• (1820)

We are not objecting to getting rid of obsolete regulations that no longer apply. We are not objecting to making the CTC function better so that it is more responsive. However, the lengths to which the Government has gone prevents that from happening. We need constructive regulations that balance the public interest, the interests of the shippers and receivers with the requirements of the transportation industry to be economically viable. That is an economic imperative.

The transportation industry must relate to the size of our country, our geography and our climate. It must relate to the size of our markets, the viability of the carriers and to the rights of the public and the employees.

This legislation is another classic example of union busting by contracting out and leaving employees, who are highly trained technical people, feeling insecure about their jobs. Men and women who worked from 20 to 30 years at the Moncton shops were kept on the edge for three years until the axe fell. Employees of their calibre cannot simply be found at the downtown Canada Employment Office.

Constructive regulation must make both the publicly and privately-owned transportation sector compete under a deregulated regime. Otherwise, reputable railways, airlines and trucking companies will have to make the bottom line their top priority. These reputable companies with good business practices and standards will be forced to cheat. Corners will be cut and safety, security and maintenance will not be the prime requisite in the transportation industry. It is not good enough for the parties to agree that there will be no