

*Borrowing Authority*

estimates were dashed by reality. Public Service growth, predicted in Tuesday's tabled Estimates at 1 per cent in the next fiscal year, will probably triple. The communications Telidon project, which was supposed to be phased out next year with funding of about \$1.2 million, will now be extended for two more years at a cost of \$23 million.

There is more. This same Finance Minister who seeks our blind trust announced on Wednesday, February 23 that this year's record federal deficit of \$27.2 billion will rise to approximately \$29 billion next year if the Government sticks to current plans. What plans? We on this side would be glad to see something realistic. The Minister said that the deficit will go even higher if budget measures expected in the next few months contain provisions to stimulate the economy.

The Minister is actually saying that the Estimates for 1983-1984 are not to be trusted, that they are not really estimates. In fact, they are not even good guesstimates. They are totally unrealistic and give no guidance whatsoever to Parliament and to the Canadian people.

I submit that our poor economic performance will continue to have a negative impact on the finances of the Government as the costs of social assistance rise and revenues stagnate or fall. Any recovery that does occur is likely to be very weak and, as such, will have only a very moderate impact on our economy.

In situations such as this, we are often asked on this side of the House what we would do, what we have to offer to improve our economy, and what we would do to bring about more employment opportunities. I have a suggestion that would be beneficial not only to Atlantic Canada but helpful to the entire nation.

On December 10, 1982 I asked the Minister of Transport (Mr. Pepin) whether he would consider electrification of the Maritimes railway system in order to halt the dangerous erosion of our present service. He immediately replied that, in his opinion, this was not a very worth-while project. In his words, the investment would be too great for the benefit to be harvested at this particular moment. In plain language, what he was trying to say and did not say was that either the cost-to-benefit ratio is not adequate or the return on investment is not sufficient.

• (1115)

These are classic investment terms that can be manipulated to suit one's own purposes. It all depends on the ground rules, such as projected traffic increases and inclusion or not of spin-off benefits. I wonder if the Minister would tell the House what the return on investment is for the recently announced capital outlay for western railway improvements, for example, arising out of the Crowsnest Pass deal?

Why should all the railway improvements be made in the West and to a lesser degree here in central Canada? We are all Canadians. We will all be paying for western upgrading. Why should there not be a better apportionment of railway capital expenditures between the West and Atlantic Canada? The Minister of Transport and his bureaucrats are saying that the traffic, or its projected growth, does not warrant the

expenditure. This, of course, gets us into the old cliché of the chicken and the egg argument. New traffic growth cannot be built and attract new shipping unless there is something to encourage it like a fast freight system from Halifax to Montreal and through to Chicago.

I ask the Government in all seriousness: Why should all these essential capital projections which are in the national interest be subjected to a banker's cold, hard, calculating return on investment analysis? If this is the yardstick that is to be followed, we shall have to abolish the CBC, the National Art Gallery, the National Arts Centre, the National Film Board and the National Research Council, to name but a few.

We do not have a viable rail transportation system in Atlantic Canada. This was a Confederation commitment. I say to the House that we need one now. It is my understanding that Canadian Pacific is ready to go with its rail electrification plan, starting with the Rogers Pass Tunnel. The follow-up sector will be Thunder Bay west. Canadian National's plans are to electrify the golden corridor, which is Quebec to Windsor, and this would include VIA's light, rapid and comfortable passenger service.

If this happens we are all dead in Atlantic Canada. We would be left holding the transportation bag. We will be stuck with the crumbling railway system, and one only needs to think of the recent derailments in Atlantic Canada if there is doubt about that. We will be using diesels on an antiquated roadbed. The diesels will wear out or become obsolete or too costly to repair. The only alternative left will be to abandon the rail system and depend on truck transportation.

Such an eventuality poses some interesting questions. What happens to our two great ice-free, all-season ports of Halifax and Saint John, New Brunswick? Will the federal Government totally subsidize the increased shipping costs of all commodities to and from the Maritimes? For example, what will replace the locomotive repair and maintenance facility in Moncton? Assuming that we in Nova Scotia developed a petrochemical industry with our Sable Island gas feedstock, how will we transport the by-products of such an industry? We need a safe and efficient rail system to transport benzene, styrene, polyethylene, ammonia, urea and methanol if we are to take full advantage of our offshore possibilities.

If we do not have the proper infrastructure in place we will have to defer to Quebec once the Arctic pilot project comes onstream. I fear that Quebec, and Montreal in particular, is against any of these developments. We will be lucky if the PQ and M pipe line ever gets beyond Quebec City. It is not in Quebec's own best interest. This is all part of the transportation grand scheme to restrict Atlantic Canada. At the heart of it all is the railway and the ports of Halifax and Saint John. We must make a move now to electrify CN in the Atlantic. It will be too late once electrification starts in the West or along the golden corridor. CN should be immediately required to upgrade its rail system in Atlantic Canada, and electrification should start in the East where traffic is lighter so as not to interfere with the heavy grain traffic in the west. The ports of