

Supply

ers' money. That is exactly the situation we are facing with respect to our national rail passenger network.

VIA Rail subsidy rose to an unprecedented \$641 million in 1988. This translates into an average subsidy of \$100 per passenger. We are asking all Canadians to pay this subsidy, but only 3 per cent of the travelling public uses this mode of transportation. Canadians have demonstrated their preference for other modes of transportation. With a market share of 84 per cent, the automobile is clearly the mode of choice.

• (1740)

Contrary to all of the rhetoric which has been bandied about in recent months, VIA Rail's performance is worsening, not improving. While revenues did increase by 13 per cent, or \$26 million in 1988, costs increased by 15 per cent, or \$94 million, with the result that government subsidies to VIA increased by \$68 million. As you can see, Madam Speaker, prompt action had to be taken to stop this drain on the public purse.

Reducing the subsidies to VIA Rail was a difficult decision to make. We had a system that was expensive, ineffective and inefficient.

Many other countries are making decisions concerning rail passenger services based on their unique demographic and economic realities. The government's decision is based on Canadian economic and demographic realities.

Our decision has to be considered in light of the fact that we have the second largest country in the world with one of the smallest populations. VIA service must be consistent with the realities of the density of the Quebec-Windsor corridor, and also the different needs of the Atlantic Canadian and western Canadian regions.

Contrary to the wording of the motion before us today, I believe that we have taken the action necessary to ensure the future of VIA as a national, affordable and sustainable rail passenger network.

Since making this announcement we have taken every possible opportunity to discuss with Canadians the importance of this decision. All Canadians are aware that we must reduce the burden of the debt. Canadians have

been asked to tighten their belts, and VIA cannot be an exception.

This government has distinguished itself during the past four years through fiscal responsibility and judicious allocation of federal financial resources. When money is scarce, it is spent where it is most needed, where it is most likely to produce results.

I invite members opposite and, indeed, all Canadians, to look at the facts and to judge for themselves the validity of the fiscal realities under which we currently labour. If we had to make difficult decisions, it is that in 1984 we inherited a legacy of debt. This is a legacy which I personally do not want to pass on to my children or to their children.

The difficult choices that we have been forced to make have allowed us to reduce the deficit and to bring the rate of inflation down to a more acceptable level—not a 22 per cent interest rate and the 13, 14 and 15 per cent unemployment rates that we had when the opposition was in government.

Responsible fiscal management, combined with sound economic policies, have paved the road to a rate of economic growth which ranks among the highest in the industrialized world. As responsible Canadians we owe it to our children to leave them with every opportunity for development that we ourselves have enjoyed.

Mr. MacLellan: Madam Speaker, I would just like to respond to what the minister said about the debt that was inherited. The debt is much worse now than it was when this government came to power in 1984.

I also want to mention the fact that this government cannot absorb—

Some Hon. Members: Oh, oh!

Mr. MacLellan: Come on! The fact is that this government just does not care. What it is doing is nickel and diming the Canadian public and letting the chances for true savings in spending go by the wayside because it may rock the boats of some of its elitist friends in big business.

So what does the government do? It picks on the people and the regions in this country which can least afford it. It allows a man like Mr. Lawless to take over as president of VIA Rail so that he can set up exactly what he wants to do and thereby create the case for CN to