

Oral Questions

It is a fact that I do not have, and I do not think anyone in this House has, a complete vision of the requirements for intermodal transportation in Canada in the 21st century.

Clearly one of the elements of passenger rail will be VIA Rail. This is why we have taken initiatives to save VIA Rail and maintain it across the country, which will still cost Canadian taxpayers hundreds of millions of dollars in subsidies every year.

Notwithstanding that, we have taken this decision to save VIA Rail, and concurrently appoint a royal commission, and I think that my hon. friend would only agree that it is prudent to invite experts from Canada and around the world to help us address the transportation requirements of all kinds into the 21st century.

That, together with parliamentary input from all parties, will I think give Canada the transportation policy into the next century that we now lack.

Mr. Broadbent: Mr. Speaker, my next question is for the Prime Minister. The government has been in power since 1984. It is the greatest admission of the disastrous Ministry of Transport and the ministers if now, after all that time in office, the Prime Minister says that he does not know what we should be doing going into the next century. Why don't you know what you are doing?

If we now have a royal commission that will systematically look at the integrated needs of transportation such as rail, car or airplane, and if in doing that it should reach the decision that we ought not to be laying off 11,000 people as we are today and destroying the infrastructure of Atlantic Canada and elsewhere, is the government prepared to reverse its decision when it hears from the royal commission? If it is prepared to reverse its decision, does it make any sense at all to make the decision now and then have a royal commission? How ridiculous can you get?

Mr. Mulroney: Mr. Speaker, first of all let me correct my hon. friend. There is no question of VIA Rail laying off 11,000 people. We do not have 11,000 employees. The service will be maintained. The passenger service will be maintained in a proper way across the country still at a cost of some hundreds of millions of dollars a year.

For example, when a passenger gets on a train to go from Montreal to Ottawa the return tab picked up by the taxpayer is approximately \$100. There are areas in western Canada that when a passenger gets on a train for a trip the subsidy is in the neighbourhood of \$475 per

trip. I think my hon. friend will agree that subsidies which extend into the billion dollar mark and are a few hundred dollars per passenger are abusive by any standards, particularly for a country that needs to bring its deficit down, so that that deficit reduction can have a favourable impact on interest rates and economic growth.

One of the reasons we have combined the study is precisely because we are able to maintain VIA essentially intact concurrent with an important transportation study. I do not believe there has been a study of transportation of any substance in Canada publicly done for some 30 years since the MacPherson Royal Commission. It is just about time that Canada defined a new policy for the requirements of the 21st century.

Mr. Broadbent: Mr. Speaker, the Prime Minister will know that in the United States, because it made the appropriate decision some years ago in modernizing Amtrak and attracting people to use the service, they now have a very minimal level of subsidization and that has continued in the United States. The Prime Minister knows that in Canada we now spend millions subsidizing roads. We spend millions subsidizing air traffic, and the people of Canada require in all regions some continuing level of subsidization in trains.

My question to the Prime Minister is the following one. Why don't we have the capital investment required to make a first rate modern rail service and continue that, like all other modern nations do around the world?

Mr. Mulroney: Mr. Speaker, my hon. friend asks the question rhetorically why Canada does not follow the intelligent policy invoked by Amtrak. The reason is the following.

In 1971 Amtrak scrapped 75 per cent of its passenger routes in the United States. By and large it kept the high density corridor traffic which given the different demographics makes Amtrak a more economically viable operation than the one we obviously have in Canada.

That is why we did not follow the Amtrak policy which quite frankly had we done so would have meant the complete termination of VIA Rail throughout Atlantic Canada and areas of western Canada and maintaining corridor traffic between Windsor and Quebec City. I want to tell the leader of the New Democratic Party that in our minds Canada does not extend from Windsor to Quebec City. It extends from one end of the country to the other, and that is why we are maintaining the traffic.