

Resources, that security of supply of petroleum products in Quebec is not in jeopardy and that there is no reason for Quebec consumers to be concerned.

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[English]

CANADIAN NATIONAL RAILWAYS

COMPANY'S FINANCIAL STABILITY

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister of Transport. I am concerned about today's media reports with respect to the alleged financial difficulties of CN. In fact the word "insolvency" has been thrown around. Can the Minister reassure the House about the financial stability of CN?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can indeed provide the House with that assurance. As I said earlier, the article that appeared in today's *Globe and Mail* was not only grossly inaccurate and irresponsible but was alarmist and potentially damaging.

I can assure the Hon. Member that CN is certainly facing challenges in coping with the traffic decline and the shift in traffic patterns, but those challenges are not unique to CN. I can assure the Hon. Member as well that CN is not insolvent. As a matter of fact its five-year plan would indicate a reduction in the corporate debt. Having regard to the fact that CN has enjoyed a very high credit rating in the international bond market, it has every reason—

Mr. Broadbent: Socialist!

Mr. Mazankowski:—it has every reason to foresee that continuing in the future.

TERRA TRANSPORT—MORATORIUM ON RATE INCREASES

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is also directed to the Minister of Transport and deals with Terra Transport. The Minister knows that the CTC imposed massive rate increases on Terra Transport. He also knows that the Cabinet imposed a moratorium on those increases because, if they were allowed to go ahead, it would spell the virtual death of the Newfoundland Railway. I want to know that the Minister is not going to allow to happen through the back door that which might otherwise happen through the front door, and that is the increase in those rates. Will the Minister give us an assurance that the moratorium is in place and will he tell us whether or not it will continue?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am still waiting for the final report, but I think the Hon. Member knows that one has an obligation to fulfil the legislative requirement that transportation rates must be compensatory. It is in that context that the whole issue has been

examined. I am awaiting the final recommendation of the CTC in this regard.

MINISTER'S DISCUSSIONS WITH UNIONS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, the supplementary question I wish to raise with the Minister has been raised already. He has said that there have been consultations and that he has talked to unions.

Mr. Speaker: Order, please. Question.

Mr. Rompkey: Will he say specifically which unions, either nationally or provincially, he has discussed the Terra Transport situation with? We want an assurance that the Minister is fighting for the 800 jobs that are at stake here.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I have not only talked with the unions but I have talked with the Hon. Minister of Justice who is highly regarded by the union movement in St. John's and throughout Newfoundland.

Some Hon. Members: Who?

Mr. Mazankowski: I can assure the Hon. Member that—

Some Hon. Members: Hear, hear!

● (1450)

Mr. Mazankowski: I can assure the Hon. Member that the unions appreciate the work that the Minister of Justice and I are doing. They feel quite secure that they will receive a fair deal.

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ENERGY

INCREASES IN GASOLINE PRICES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On March 28, 1985, on the date we debated the Western Accord, as reported at page 3473 of *Hansard* the Minister said in the House:

If the Hon. Member for Vancouver-Kingsway (Mr. Waddell) is right that by creating a market environment prices will continue to decline, obviously that provides the environment for gasoline prices to decline. They certainly are not going to increase in a declining market.

Aside from tax increases, why are gasoline prices increasing in a declining market? What does the Minister intend to do about it in order to protect the Canadian consumer?

Some Hon. Members: Hear, hear!

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I believe the Hon. Member is addressing an issue of great concern to consumers. I wish to point out that the increases in gasoline prices about which consum-