

Government Orders

P.E.I., I believe in 1988, and the majority of people on the Island voted in favour of the fixed link.

We all recognize there were some who voted against it for various reasons. A lot of them would have to do with their feeling of becoming too modern or taking them into the next century where they do not want to move. It was a fair vote. It did win the majority and we will go ahead with it. As I said, the ice flow has been taken care of which then means that the environmental review does stand approved.

With regard to the subsidy of \$21 million the hon. member from B.C. discussed a few minutes ago, every year it costs to operate ferries between New Brunswick and P.E.I., something in the area of \$21 million or \$22 million.

An hon. member: It was \$27 million in 1988.

Mrs. Sparrow: In 1988 it was \$27 million. We also have a problem with regard to the age of the ferries and the mechanical upkeep and repair that need to be done. There have been proven documents set forth with regard to the need for four as a minimum and perhaps five new ferries. Each new ferry would cost between \$110 million and \$140 million. If that is prorated with the operating costs and the capital expenditures over the 35 years then we come to the \$42 million in 1992 dollars. It is not a gift of the taxpayers of Canada. Indeed we are building the capital expenditures into the operating expenditures and putting out some pure facts.

I want to speak a bit about the call for proposals. Three proposals were accepted. On the final review the winning firm was Strait Crossing Incorporated with its head office in the city of Calgary from whence I come. While it is a consortium, it is a Canadian company with its head office there. Not 100 per cent but 95 per cent of the work is going to be Canadian content, with most of it coming from the Atlantic coast, which is right. Of course the engineering and design of the fixed link will be done in Calgary.

It is a private sector responsibility. The private sector designs it. The private sector engineers it. The private sector finances it. It is constructed by the private sector. It is operated by the private sector for 35 years, after which time it will revert to the government. It is all private sector.

In these specific issues the private sector assumes all the risk and the government subsidy or the \$42 million is what we would pay annually anyway over a prorated 35 years. It is environmentally sound. It met the ice review committee recommendations. There will be less than two ice-outs a year. It will bring a lot of regional benefits to P.E.I., to New Brunswick and to the Nova Scotia area.

Built into the costs will be the toll rates. We will utilize the costs of the fixed link when it is completed. The toll rate will be based on the ferry crossing, increased with a CPI or an inflationary indexation period. That is all laid down specifically in the contracts.

• (1610)

Strait Crossing Inc., the company from Calgary, has also built in costs with regard to constant maintenance and constant upkeep so that we do not run into difficulties 10, 20, 30 or 40 years down the road, which certainly could happen. However these are the built-in costs that will be paid by the toll rates that will be instituted when the bridge is completed.

Also a performance bond has been posted by Strait Crossing Inc. and there is insurance with regard to the fisheries. It was quite interesting to hear some of my colleagues on the other side of the House worry about any negative effect it could have on the fishing industry, which of course as we all know is a major industry for P.E.I., as well as for other areas.

If we take a look at the offshore rigs down on the gulf coast or where there has been offshore activity with different types of industry, it is surprising to see how the fishing industries have not really been hurt in any way. It has been very positive with regard to the habitat and the increase in availability of the product. There is not any factual evidence showing that there will be hurt or damage done to that particular industry, but there has been a bond posted in case of a problem.

I have to say with regard to selecting the company in Calgary that this gives benefits right across the country. There will be designers and engineers in Calgary who would be working on this issue. There is a range of products and services.

There is the supplying of the cement which will probably come mainly from the Atlantic provinces and the aggregates of steel. There is the selling and leasing of the heavy equipment. There is the construction of