

*Supply*

building the economic infrastructure which is so important not only to Atlantic Canada but indeed to the entire country.

**Mr. Baker:** Mr. Speaker, I think it is important, for the record, to observe that we have now listened to speakers on the government side of the House talk about what is in the present budgets or what the present Government is doing. Unfortunately, they did not compare it to what was in the original budgets, what was spent last year and what was spent the year before.

I hope the Minister of Transport (Mr. Mazankowski) will not be bullied by the Hon. Member for St. John's West (Mr. Crosbie) in trying to force the CTC or his Department to move international flights to the Hon. Member's riding. I hope he will not be bullied into taking an action which will not be a very wise one. However, returning to the speech of the Minister of Transport, he made a correct reference to tourism and its importance in Atlantic Canada.

Recently I noted what the Conservative Party talked about in its transportation commitment made in Halifax on August 2, 1984. It indicated that a Progressive Conservative Government would conduct regular reviews of CN Marine ferry rates to guarantee that they were equitable and not damaging to the competitiveness of local industries, with particular reference to tourism.

The Hon. Minister was correct, but what did he do? What did the Government do? Under ferry services, it is saving \$16.1 million. That amount has been cut. How will that be achieved? It will be achieved from selective increased cost recovery and from operating efficiencies in restructuring the coastal and gulf services. The fact of the matter is that under the Minister of Transport the ferry rates have skyrocketed so that people will not want to travel by ferry boat. This will have a damaging effect upon the tourism industry.

What about CN Marine? Yes, the Minister talks about restructuring, but what for? The financial statement indicates a saving of \$21.5 million. Then he talked about all he was doing for the Coast Guard. If we look at the financial statement we see that he is saving \$51.6 million by cutting out capital projects relating to Coast Guard aids to navigation and vessels. In fact, that is all contained in the financial statement of the President of the Treasury Board (Mr. de Cotret).

It is fine for Ministers to talk about what they are spending this year, but when we see what they have cut we see why it is so devastating to Atlantic Canada. Every cut announced by the Department impacts more in the Atlantic region than in any other part of Canada. The reviews which are under way to produce further cuts will impact more in Atlantic Canada than in any other region of Canada. If the Minister wants to make a comment, perhaps he could comment on the cuts which he has made in his Department, not on his normal budgetary expenditures.

**Mr. Mazankowski:** Mr. Speaker, I will address a couple of the points which the Hon. Member has made. I am sure that the modest increase in ferry rates will not be crippling, as the Hon. Member suggested. As a matter of fact, in some cases

ferry rates have been reduced. I hope he will take notice of that.

Everyone in the House should know that the cost recovery for the provision of ferry services is below 25 per cent. It is 18 per cent to 19 per cent. I am sure Atlantic Canadians, like all Canadians, are not objecting to paying their fair share. We have also said during the course of this exercise that we have tried to generate an additional 15 percentage points of revenue through the combination of efficiencies, cutting out waste and increasing ferry rates. However, some, I repeat, have been reduced; some have gone up 7 per cent or 8 per cent. This was certainly not crippling, and this was done in consultation with the provinces. We worked it out together, and the Hon. Member will find that the impact is not as he suggested.

With regard to the other points, I do not think anyone should apologize for cutting out waste, inefficiency and fat in the system. That is precisely what we have been trying to do. We are trying to get a more effective, more efficient, more responsive and more productive system. It is part and parcel of our total effort to put in place a system which will produce goods and services at the lowest possible cost. That is the name of the game.

I think the Hon. Member would be the first to agree that the six and five program, which suppressed any increases, simply delayed the inevitable. Regardless of what Government took office, this issue had to be addressed.

**Mr. Rompkey:** Mr. Speaker, I have a question for the Minister as well. I take what he said today about his interest in the Atlantic area to be accurate, and I believe it. As I told him in committee yesterday, the leading journals are saying that he is a major player in Cabinet, has the ear of the Prime Minister (Mr. Mulroney), and is an effective Cabinet Minister who has taken charge of his Department and is running it. I believe what the leading journals are saying, and I take it to be accurate. Given those facts, let me ask him about the Newfoundland railway which he mentioned. He knows that some years ago a five-year program of \$77 million was allocated to the Newfoundland railway to do some upgrading, some containerization, and so on. That is now coming to an end. As a matter of fact, a report was to have been submitted to Government last spring. I have not seen that report, but I want to ask him about the future of the railway, given the moratorium that was placed on the increase in rates. Clearly that is until such time as there is an appeal of the CTC decision. As soon as that appeal is resolved, presumably something will happen; those rates will go up. At that point we will get into the future plan as to multi-modal operations in Newfoundland.

What will be the future of the railway? What will be the future of sea transport? What will be the future of air transport? Could the minister give us a forecast now? Can he tell the Chamber and the people of Newfoundland what he sees ahead for the Newfoundland railway? Once that funding comes to an end, will there be further funding? Will there be further containerization? Does he have a positive view about the Newfoundland railway? Will there be a healthy railway in Newfoundland in the future?