

Maritime Transport

assigned to the intercity bus industry, and it also comes under the \$125 million transportation umbrella for the Atlantic provinces that I referred to a few moments ago.

One of the conditions of this agreement with New Brunswick is that the bus company improve service on several of its network routes. Four new coaches will be purchased under the agreement and they will join the fleet to boost passenger service between Fredericton, Moncton and Newcastle. Under provisions of the Atlantic provinces transportation agreement each province must, of course, identify service improvement to the bus network in its respective jurisdiction. New Brunswick, incidentally, is the first province to do so.

A very important point which I believe should not be omitted is that there is provision in the Atlantic provinces transportation agreement providing for a searching look at what the future requirements in transportation may be after the current agreement expires. This means that while the immediate needs of highway transportation are being taken care of, both the federal government and the provinces are looking at least four years ahead, trying to determine how the real transportation growth will meet projected forecasts. It is this kind of look-ahead planning which will ensure the most efficient and the most equitable transportation modes so vital to the economy and well-being of the Atlantic provinces.

I think that answers the question in respect of the point raised by the hon. member when he referred to the already outdated term "user-pay". At a recent national policy convention of the Liberal party we adopted a resolution that this term is not one that is viable or to be used, but rather that when the objectives of commercial viability and regional development conflict, then regional development will take precedence. This fundamental principle of transportation policy is to encourage and support economic development through provision of effective and sensible transportation services, not just in the Atlantic provinces but across Canada as well.

The philosophies of commercial viability and regional development certainly do not conflict in the announcement the Minister of Transport made just last month dealing with a \$1 million contract for consulting services in connection with the building of the Fairview Cove container terminal in Halifax. The minister announced last December that the new container terminal would be built, and it is anticipated that about 12 construction contracts will be required to complete this project by December, 1980, at a cost of \$35.6 million. Construction has already provided additional employment in the area, and about 100 more jobs will be created to operate the facility. It should be remembered also that studies made by the National Harbours Board and the province of Nova Scotia concluded that additional container facilities will be required to handle anticipated growth in container traffic through the port by the early 1980's.

The cost sharing of this project is \$29.1 million by the federal government and the remainder of \$6.5 million by the province. I would take the opportunity to mention as well the tremendously efficient operation of the Saint John port with the vision and ability shown by the manager and those

appointed persons responsible in that city. They have been increasing the container traffic and other business in that area at an impressive rate.

Around the middle of March we announced that a contract to construct a forest products terminal shed at pier No. 1 in Saint John harbour was awarded in the amount of \$2,759,000. When this project is completed later this year there will be a total of 6.7 acres of enclosed storage space available to the forest products terminal. This shed will now consolidate the handling of all forest products at the site.

I should also like to point out that while our minister was in the Atlantic provinces just recently he inaugurated a new ferry service between Yarmouth and Portland, Maine. This now is an established year-round commercial operation, and this type of direct link to the United States is of tremendous importance to that part of Atlantic Canada.

The four maritime provinces are again brought into the over-all maritime transportation picture with our urban transportation assistance program. This program is designed to tackle a number of transportation problems affecting major cities. Each province will receive \$10 for each of its citizens over a five year period, and a number of urban transportation projects high on the priority list will also be submitted under this project. The financial breakdown shows that New Brunswick will receive \$6.8 million, Nova Scotia \$8.2 million, Newfoundland \$5.6 million and Prince Edward Island \$1.2 million.

As you know, VIA Rail Incorporated was created last year to provide a completely revamped rail passenger service system across Canada. Part of the reorganization, of course, calls for new equipment. The government in November of last year announced that it would be purchasing 22 locomotives and 50 coaches at a cost of about \$90 million. This is the first major purchase of Canadian rail passenger equipment in more than ten years. These new trains will greatly assist VIA Rail in providing modern, attractive and economical rail passenger service throughout the country. Several of these trains will be put into service in 1980 as part of a new high quality rail passenger service between Quebec City and Montreal. The remaining trains will be used by VIA in the introduction of conveniently scheduled, fast intercity trains across Canada to complement an upgraded transcontinental service and, therefore, will be available to VIA for western Canada and the maritimes as well.

I had the opportunity of putting this question to the new president, Mr. Roberts, as well as to others such as Mr. Benson of the CTC and Mr. Lang when they appeared before the Standing Committee on Transport and Communications, and received the assurance that we will see some of these funds directed as well to improving the roadbed and other equipment in the Atlantic area.

Direct funding and cost-sharing programs are, of course, essential in terms of a broad transportation policy for a given region. The other facet involved subsidies, and this government has been looking into this matter in the broad overview of transportation requirements for the maritime provinces. One