

Supply

That excludes the transfer of CN Marine to a Crown corporation, at \$21.5 million, and disregarding the CN debt, which is an overpayment made by Transport Canada to CN of \$46 million. So we are really looking at \$200 million. That is less than 5 per cent of total departmental spending. It seems to me that any Government department that cannot improve its revenue expenditure position by less than 5 per cent really is not worth its salt. That is really what is wrong with this country. That is why we are in trouble. That is why the people of Canada rebelled against that Government. They are sick and tired of paying more and more and more and getting less and less and less. They are sick and tired of deficits, mounting debts, and sick and tired of the continual increase in the cost of servicing the debt and the impact that has on the economy. There are also sick and tired of irresponsible government.

Throughout the election campaign we said first and foremost we were going to restore fiscal responsibility to this nation—above all else. We are well on our way. The confidence factor is improving day by day. Throughout the election campaign we did identify several areas in which we believed there were improvements needed in transportation. We did make commitments.

● (1600)

In his speech to the House on November 8 the Minister of Finance (Mr. Wilson) said:

We are committed to implement these policies within an overall framework of fiscal responsibility over the course of our mandate. And this means that to do more in some areas, we must do less in others.

That is the guiding principle. I can honestly say to the House right here and now that the transportation commitments are not excluded, because we believe that the country needs and deserves an effective, efficient, innovative and reliable transportation system. That is vital to this nation.

Transportation is a vital component to our nation's economy. It is vital in so far as our commitment to economic renewal. It is vital in terms of achieving balanced economic growth. It is vital to providing long-term productive jobs in the country and to our desire to overcome regional economic disparities.

This nation is probably the most transportation dependent nation in the world. We move more tonne miles of freight per capita than any other industrialized nation in the world, and 40 per cent of it is moved by rail. We move a lot of bulk commodities and we move them long distances before they get to tide water. For example, our grain moves on average something in the order of 1,250 miles. Australia, which is one of our major competitors, moves its grain 200 miles. Argentina moves its grain 125 miles and the United States of America moves its grain 700 miles. In terms of coal, British Columbia coal moves an average of 700 miles while U.S. coal moves an average of 300 miles and Australia coal moves less than 50 miles. Therefore, we see that the transportation costs represent a very significant component of the final price of the product that we deliver to tide water. It represents a very important percentage of the value of our export commodities. As a

matter of fact, some 60 per cent of our exports have a transportation cost component of more than 10 per cent.

Given the fact that we are a trading nation and that we must put greater emphasis on expanding our international markets and recapturing our fair share of the international trade, we must ensure that we have a competitive transportation system. We must ensure that we have the lowest net cost possible, because 30 per cent of our gross national product depends on trade. Competition is keen and we all know that we are price-takers and not price-setters. We appreciate the importance of that, and it has been referred to in the economic statement submitted by my colleague, the Minister of Finance.

I believe that one of our first challenges is to keep the unit cost of transportation down. We must be innovative. We must employ the latest technology. We must improve our systems and operations. We must achieve better utilization. We must improve the infrastructure where necessary, and we must cut out waste and inefficiency. In short, we must find more effective ways of doing things.

Safety must be held as a high priority. Any transportation system which is not safe is not worth having. We have made a good start. We commissioned the Dubin inquiry and the Grange inquiry when we were in office. A number of very important and major recommendations have flowed from both of those reports. I commend my predecessors for taking action on many of them. There has been some foot-dragging, but many of these things are very costly.

We intend to bring forth a new Aeronautics Act. This Act was being drafted when I was Minister of Transport in 1979 and the work has continued. There will be changes to the Canada Shipping Act. These Acts relate to the matter of safe transportation of goods and people. The regulations with respect to the transportation of dangerous goods are very complex. We are continuing the consultative process with industry and the transportation system. The RAMP system, the new radar system, is going ahead. That represents an investment of something in the order of \$800 million. We must strive to improve our total air navigation systems, particularly in the isolated areas in the North. We must beef up our enforcement in the air sector, particularly now with the trend toward a deregulated environment, with the emphasis more on prevention, rather than investigating accidents after the fact. Therefore, there will be a continuing challenge and continuing pressure to put a great deal of emphasis on safety.

Our third challenge, which comes to the point being made by the Member for Regina West, is how to fund and maintain the system. A first class system requires the necessary resources to maintain its stature. Resources are scarce. It is going to require a very frugal allocation of public and private expenditures. Some would suggest that by the end of the century we will have to invest something in excess of \$90 billion to \$100 billion in the transportation system. We have \$10.5 billion invested in the airport transportation system alone just to maintain the status quo. To maintain the system at an up-to-date operating level we require some \$450 million annually.