

*Supply*

entrepreneurs who may want to invest. During that period of time uncertainty existed and I think it was unfortunate. We made it very clear during the course of the election campaign that we would continue, maintain and, if necessary, enhance the Maritime Freight Rate Subsidy Assistance Program, and we would work together in co-operation with all interested parties and the provinces to ensure that the money being spent would provide the maximum benefit to all concerned. In other words, if there are more effective ways of administering and applying the programs, we would be prepared and willing to adopt those changes.

My Parliamentary Secretary announced on December 11 that some 10 new commodities were added to the list of eligible products to be allocated under a selective transportation subsidy. That does not suggest that we are being indifferent or negligent toward the Atlantic region.

Federal transportation expenditures in Atlantic Canada for fiscal 1984-85 are forecast at some \$755 million. This compares with a national outlay of some \$4.4 billion. Expressed in per capita dollars, this represents \$329 for every person in Atlantic Canada as compared to a Canadian average of \$176. That hardly suggests that this Government is being indifferent or negligent toward the Atlantic region. These figures illustrate a very significant federal contribution to the transportation requirements of the Atlantic provinces.

I am sure there are those who would say there should be more. Yes, in some areas perhaps there should be more, but we are limited by the legacy of debt we have inherited. We must be very careful and prudent in the way in which we handle our resources. That does not mean to say we will ignore the Atlantic region. As a matter of fact, the kind of new transportation policy initiatives upon which we are embarking will provide greater competition, lower freight rates, better service, new types of innovative services and I think will auger very well for the development of the tremendous potential and opportunities that exist in Atlantic Canada.

Clearly the issue of freight rates and the enormous cost that transportation loads on to the delivered product is something we have to take into consideration. The transportation cost component of the products we export is major. We have to try to reduce the unit costs of transportation in every way possible. We are looking at ways and means of injecting more competition both in the inter and the intra-modal systems to ensure that we can reduce that unit cost of transportation, encourage better utilization of the system, and encourage greater flexibility and greater innovation, thereby bringing about lower prices.

Ports are clearly part and parcel of this whole concept of inter-modal transportation. They cannot be treated in isolation. Rather, the emphasis must be on increased flexibility and efficiency through inter-modal relationships which have to be expressed through a state of the art technology.

Recently we announced the extension of the \$1.5 million regional air carrier subsidy to December 31 to support route services including Halifax, Charlottetown, Îles-de-la-Madeleine and services to Goose Bay and Labrador from Halifax. These are important and necessary support programs to

provide services to the people in those areas. The thrust of our efforts will be further to develop affordable air service through the promotion of regulatory reform. Our goal is to establish a framework within which a strong, healthy and competitive industry can provide expanded and affordable air services for all Canadians, particularly Canadians in the Atlantic region.

The national air carriers, Canadian Pacific and Air Canada, are responding to our initiatives by looking at ways and means to improve international service and domestic service through co-operation with local regional carriers and the commuter type services. I must say that in Atlantic Canada, contrary to what the Member who preceded me stated, there is a great deal of interest emanating from the private sector, the Canadian entrepreneur, in starting local regional air carriers.

Major airport development has been initiated at St. John's, Newfoundland in the amount of \$3.3 million; Charlottetown, Prince Edward Island in the amount of \$4.7 million; and Yarmouth, Nova Scotia in the amount of \$6 million. I could go on. Much work has gone into preparing St. Stephen, New Brunswick for the Canadian Owner and Pilot's Association convention at which pilots from across Canada and the United States will fly into St. Stephen. In addition, some \$13 million for the Labrador air strip program has been allocated for this year. The Hon. Member for Gander-Twillingate (Mr. Baker) will know that the federal Government is providing \$3 million for the construction and upgrading of air service in Fogo Island in his riding.

There are other things, and I could go on and on but I see that my time has almost expired. I have some press releases here. Let us look at coast guard shipbuilding. There is one type, 1100, navais light icebreaker in the amount of \$54 million; 1 type, 1050, offshore supply vessel in the amount of \$25 million; and 2 type 800 coastal navais vessels in the amount of \$3.3 million. I could go on and on. CN Marine has advised that a refit budget of some \$6 million will be spent on Atlantic region dockyards in the course of this year. In a short period of time there will be new orders for 38,000 tons of rail submitted to SYSCO, which will again assist in that region.

• (1610)

This motion is a lie. It is full of bunk. I personally take exception to it because I have a very intense and profound interest in Atlantic Canada. Of all the regions I have visited since becoming Minister, I have been in the Atlantic region more often than in any other region, with the exception of my home region, Alberta.

I want to continue to work with the good people of Atlantic Canada and with Hon. Members opposite. I know that behind the rhetoric and the flimflam there is a genuine interest in what they are saying. However, I assure them that we are not ignoring the Atlantic region or overlooking its concerns. I think together we can provide services, particularly in the transportation sector, which will be affordable, efficient, reliable, and will help in boosting the economic fortunes and in