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national rail system. Atlantic Canadians were told to use it or lose it. Well, we did, and what did we get? A reduction of 85 per cent. Imagine what would have happened if we had not used it to the extent which we did.

The national railway was the first institution to unite Canadians from coast to coast. It joined the east and the west and gave us an opportunity to travel across this country. Eliminating VIA all across Canada is a direct assault on the fundamental transportation network that has allowed Canadians to live and work throughout the country for a century.

We have received mixed signals from this government over the past years as far as its policy regarding VIA is concerned. After the election in 1984 the government reinstated service reductions that had been in effect since 1981. In 1985 the Minister of Transport said: "It is now time to turn VIA into a strong system that is cost effective, national in scope, and one which Canadians will be proud to use".

By 1986, however, the Minister of Transport was telling Canadians to use or lose their trains. The government has stuck with this policy for almost three years now and has obviously abandoned any notion of rebuilding passenger rail service in Canada. It seems like a blatant waste and misuse of taxpayers' money for the government to have invested so much in the system only to pull the funding when things are just beginning to improve. In the first three months of 1989 revenue had increased by over \$5.5 million in comparison with the same period in 1988.

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In addition, within the first quarter of 1989 the number of passengers increased by 10 per cent and the occupancy rate of the service increased to 54 per cent, up 15 per cent from the first quarter of 1988. Over half of all Canadians use this service due to a variety of factors. Increased reliability is one. Many use it as an alternative mode of transportation because of congested airports and highways in poor shape. Others use it because it is one of the least expensive modes of transportation in Canada. I am sure that students can attest to this point.

By promoting the system and services to Canadians—and they are only becoming aware of what it has to offer—it is obvious that there have been marked im-

provements in the system. Now that things are just starting to roll and VIA is getting back on track, the government has pulled the funding for the company out from under its feet. More time is needed for VIA to prove its viability, as I have just said. Canadians are only becoming aware of its service. They should not lose it.

I am quite familiar with the way in which a community is affected when it loses its passenger train service. My home province has not had rail passenger service for a long time. We did have a bus. Now the bus is not going to be there after January 15 and we will have to take the car ferry to go to the train in Moncton. This certainly does not provide any incentive to take a train.

I am deeply troubled with the consequences of the government's policy for the economy of Prince Edward Island and indeed for the Atlantic region. It is not difficult to conclude from all we have seen that the present government is becoming increasingly indifferent and insensitive to the needs of Atlantic Canadians. The elimination of passenger train service was just the tip of the iceberg.

We in Atlantic Canada are aware of the growing national deficit that threatens to undermine the future of our country. We know that we must contribute our share to its reduction, but as we see it we are being asked to pay too high a price and the government's deficit reduction efforts are being carried out on the backs of Atlantic Canadians.

Of even more fundamental concern is that the government's actions threaten to undermine the economic base of our region with serious, severe and long-lasting consequences for all of us. I have very real concerns about the future of the Atlantic region and its people unless we are able to restore some of the fundamental principles of equity, equality and fairness that have guided the development of this nation.

This nation of Canada is a diverse country and that diversity needs to be recognized and responded to. My fear is that we in the Atlantic region are going to become the losers under the present agenda.

This government should be finding ways to improve and strengthen our rail system. One solution would be to invest in modern equipment. The improved service generated by this equipment would increase passenger