

innovative, both in the use of technology and in the service it offers.

How do we achieve this vision? Our action plan for transportation has many parts. First and foremost, as always, it has to be safe. Safety will never be compromised. Canada already has an excellent safety record, but we must be vigilant. We must seize every possible opportunity to improve it.

• (1140)

Having said that, we have implemented over the last four years strong legislation and measures to ensure the safety of those who use our transportation.

[*Translation*]

In 1985, we passed amendments to the Aeronautics Act. In 1987, we proposed improvements to the Canada Shipping Act. Last year, we presented new legislation on rail transport safety.

Furthermore, we have negotiated a national safety code for trucks and buses with the provinces, for which we pay a large part of the costs.

Finally, on April 7 in this House, I tabled Bill C-2 to create an independent multimodal board of inquiry for transportation accidents. The Standing Committee is now considering this Bill and we hope, Mr. Speaker, that it will be passed soon.

Our constant concern for transportation safety is also reflected in the Budget of the Finance Minister (Mr. Wilson). No safety-related activity has been reduced as a result of budgetary decisions.

[*English*]

Our action plan does include the transportation items in the Budget now before us. The objective of the branch line rehabilitation program to improve and upgrade the rail branch line system for western grain has largely been achieved so the program is being terminated one year earlier than planned. This will ensure that more innovative and cost-effective ways of transporting western grain will be developed.

The Budget also proposes to end the At and East grain and flour rail subsidy program. The At and East subsidy has outlived its original purpose which was to assist in the competitive development of Canadian routes and ports for export trade. Our Canadian ports are now successful and can compete effectively against their U.S. counterparts. Therefore, this subsidy is a non-essential expense to the taxpayers of Canada and its elimination is consistent with our commitment to sound transportation policy.

*The Budget—Hon. B. Bouchard*

**Some Hon. Members:** Hear, hear!

**Mr. Bouchard (Roberval):** Mr. Speaker, as we called on all areas of Government to take on a share caused by the deficit, we decided to stop the pattern of ever increasing subsidies given to VIA Rail. Indeed, Canadians can no longer afford to pay an average \$100 every time someone takes a train, a service that only represents 3 to 5 per cent of all inter-city travel in Canada, and further, 25 per cent of Transport Canada's budget.

The Government expects the financial and operational performance of VIA Rail to improve and function in a more cost effective manner. To begin the process of rationalizing the operations of VIA Rail in a most cost effective new regime of rail passenger service, the reference levels for VIA Rail have been reduced to \$541 million this year and will continue to be reduced further in the years to come.

Now that the reference levels have been established, VIA Rail will prepare a new business plan that respects the new fiscal realities that Canadians can afford. However, service to truly isolated communities will be maintained.

The Government has distinguished itself during the past four years through fiscal responsibility and judicious allocation of the federal-provincial financial resources. When money is scarce it is spent where it is most needed, where it is most likely to produce results.

Improved efficiency in the way transportation is managed will give rise to better co-ordination, particularly in the surface mode. We are developing a wide multi-modal approach that will allow better co-ordination of transportation. Close co-operation with all modes, especially surface is essential when planning our marine transportation policy.

Cost recovery in marine transportation is an issue of vital importance to my Department.

We are now developing a cost-recovery policy for marine and other modes of transportation to support deficit reduction and overall system efficiency. Such a policy will be responsible and fair, and will be finalized only after full consultation with the industry.

[*Translation*]

This increased demand, Mr. Speaker, has come at a price. As a result— Mr. Speaker, I shall go back— Fortunately, I am coming to the air sector, where demand, as you know, has grown tremendously in recent years. So much so, Mr. Speaker, that I have skipped over some of my papers!