

the government to do things which would be more costly. This is not the first time the government has been faced with this type of suggestion, which would result in an increase in expenditures. There are difficulties in some aspects of the resolution with respect to not being able to have it both ways.

Also it is interesting to observe that hon. members on the other side do not take the opportunity to say positive things about what has been happening in Canada in the realm of transportation. Canadian National Railways is now turning a profit because of the vision and dynamic leadership of its new management and administration, especially that by Dr. Bandeen. The other day Dr. Bandeen appeared before the Standing Committee on Transport and Communications in Ottawa, at which time he gave a most impressive performance responding to questions raised by members from all sides. Those questions concerned all aspects of the operations of CN across Canada. After witnessing the performance of the President of the CNR, and looking at the profit picture he produced, one quickly appreciates the reasons why CN is in its present position.

I am sure the hon. member for York-Sunbury (Mr. Howie) will appreciate what I have to say regarding Air Canada, since its president, Mr. Taylor, comes from our native province of New Brunswick. With his youth and dynamic leadership, he is able to show a profit and has turned things completely around in the last year or so. He has strived for the efficiency we all wish to see.

I should like to quote from the speech of the Minister of Transport (Mr. Lang) which was made in March 1978 in Atlantic Canada. It reads as follows:

To my mind, transportation is one of the most important binding agents we have. It has been so from the time of Confederation when the rail line linked for the first time what had been isolated and separate communities. Even with the advent of other ties such as modern communications, transportation still remains a key factor in a country the size of Canada.

Transportation has also been an important factor in the economic development of this country. Without an efficient transportation system, western grain producers could never reach rapidly-growing markets all over the world. And in Atlantic Canada, our fine ports have been our link to European markets since the earliest days.

Regarding the problem of freight rates, one study has taken place with respect to the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act. That covers the Atlantic region and Gaspé coast. Following consultation with the provincial governments, we determined that the existing subsidy for movements within the region did not provide the maximum possible economic benefit for the region and, in turn, agreed that a subsidy should be paid on selected regionally produced goods moved by all means of transportation. This subsidy will be implemented by September 1 on a selected list of commodities worked out by federal and provincial officials. I am convinced our revisions to the blanket 15 per cent subsidy program will have a positive economic effect on the whole region by making goods produced in Atlantic Canada more competitive and by improving competition in various forms of transportation.

Maritime Transport

The Department of Transport has investigated the distribution system for potatoes from New Brunswick and Prince Edward Island. Working with the provincial governments, potato producers and distributors, already we have made some significant improvements to the distribution system, including revisions to potato freight rates, some improvements to port facilities in several places in Atlantic Canada, and a new operational planning system.

An important segment of the economy in Atlantic Canada centres around the shipbuilding industry, and there are several projects that could mean a significant boost if a shipyard here is the successful bidder.

Recently it was announced that, although there is no funding involved, a major step toward streamlining the management of east coast ferry and coastal service was taken in December with the establishment of CN Marine, based in Moncton, New Brunswick.

All of these points are obvious, glaring and important, but they are never referred to by hon. members who raise questions and problems relating to transportation.

The call which has been made for planning and placing a modern transportation network into being in the maritime provinces has been answered already, in my opinion. In fact, developments which have occurred in the past few days indicate the government is sensitive to the special transportation needs of the Atlantic provinces. Further, it is responding to meet those needs in a positive and highly visible manner for today and for the future.

● (1602)

The Minister of Transport also this week made three very important maritime-oriented public announcements of which hon. members are no doubt aware. When he was in Yarmouth he presented the province of Nova Scotia with a cheque for more than \$5 million to cover work already done during the past year on that province's highway network. The money was provided under the Atlantic provinces transportation agreement announced last year and is just a portion of the \$125 million which will be spent on a cost-sharing basis with the federal government, enabling all of the four maritime provinces to upgrade their individual road systems. I believe this agreement forms the base, but not the only one, for the modern transportation network which the hon. member appears to be seeking, but which is already there.

The funds provided this week for Nova Scotia represent only the start of the highway improvement program for that province, which will total about \$64 million over the four year span. Better roads, of course, will allow commercial vehicles to carry greater weights, and these improvements are direct benefits to the province's trucking industry.

The second announcement made by the minister is in a related area but it also means this government is cognizant of the local as well as regional transportation needs of the maritime provinces. A \$1 million contribution was made to construct a new bus terminal in downtown Saint John, New Brunswick. This contribution is just a portion of the \$4 million