

Government Orders

railway sector, jobs which were supported by the existence of the grain terminal at Saint John.

The traffic through the elevator in Halifax has already been drastically reduced. Eighteen full-time layoffs have occurred in the elevator itself with 20 more part-time workers affected this summer. The reduction in work for stevedores and railway employees in Halifax, I am told, is in the order of the equivalent to 220 person-years. This has been the direct impact, already, of the cancellation of the at and east subsidy.

The Atlantic Provinces Transportation Commission has estimated that the negative costs of the elimination of this program, even if the Halifax port does not close, will be in the order of \$14 million. It is important to specify the nature of that impact. There will be a direct job and wage impact on the grain elevators themselves. There will be additional cost pressures placed on our livestock, poultry and wheat milling sectors. The farmers and livestock producers will ultimately have to pay more for their cost of production. They will have to pass these costs on.

Ports and railways charges will also be increased and there will be layoffs and a loss in wage cost there as well. If the Halifax grain elevator is obliged to close because of a lack of grain trade through that port, the costs will almost double and that again will eliminate the competition which keeps the rates to Atlantic livestock producers down. It will allow those rates to rise and it will also eliminate Halifax and Saint John from that vital category of Canadian exports. It will remove one more alternative for getting west coast grain to market, particularly in the winter when the St. Lawrence Seaway has frozen, and it will weaken the fragile economy of Atlantic Canada in particular.

These are some of the consequences which this government has blithely ignored in ramming through, without consideration and without consultation, this measure as a consequence of the disastrous 1989 leaked budget, a budget which, as we all know, imposed tax increases and cut-backs which affected the Atlantic Canadian economy in particular and which, no doubt, helped to precipitate the crisis that is already emerging in that part of the country today.

This measure, which is a statutory measure, has been introduced without even consulting Parliament, without even consulting those interests and bodies which are directly affected, such as the Atlantic Provinces Transportation Commission, which is in a position to provide helpful advice to the government. If it could not prevent the elimination of this program, it could at least make some alternative subsidy framework available which the government could have put in place to preserve the existence of the Atlantic ports in the grain and flour handling trade.

• (1320)

The Minister of State for Transport had some rather lame and unconvincing arguments when she spoke on this bill on February 12. She claimed, as has the government, that the at and east program was merely designed to compensate for the installation of rates in the United States which would have lowered rates from Buffalo through to the port of New York which, in her words, would encourage the movement of western Canadian grain between Buffalo, New York, and the port of New York during the winter freeze-up on the Great Lakes. She said that this was the reason this was put in place and that now that our costs of shipping grain through the Great Lakes by water have been reduced relative to that of rail, there is really no need for this program.

The minister and the government ignore one very important facet which underpinned the creation of this program, that was to ensure that Atlantic ports as well as Montreal and eastern Quebec ports had an opportunity to stay in this business. In fact, then transport minister Mr. Pickersgill, speaking before the Transportation and Communications Committee in 1966, said specifically that the purpose of the at and east program was to ensure that we will have rates that will provide some inducement and incentive to shippers to use the facilities of the Atlantic ports so that Halifax and Saint John will be able to stay competitive.

The government has ignored one crucial aspect which was involved in the setting up of this particular subsidy framework for transportation. It has chosen to ignore it in order to find a ready way to hack and cut some of the budget deficit which the government itself has created.