

Government Orders

enough business coming out of the livestock industry to sustain those elevators. They need some increased export trade.

The Canadian Wheat Board is not in the business of supporting elevators. It is in the business of providing the best return it can for its prairie producers and therefore it is going to sell its grain where it can get the best dollar for the prairie producer. The Canadian Wheat Board has said unless there is some sort of program, we are not going to be sending grain out to Halifax. It has said it will do what it can.

During the summer months it does send grain out to Halifax. During the winter months when the seaway is closed, it does not even send a bushel because it is simply too expensive to send by rail to Halifax. The Canadian Wheat Board is doing what it can, but it is not going to do it at the cost of prairie producers.

This report says that unless there is some increase, and it does not need to be a huge increase in export grain, the one elevator of the two still operating will close and neither will reopen.

• (1210)

It also says the general conclusion is that changes to various government programs and so on will not result in a significant increased flow of feed grain through the elevators on a sustained basis. This largely explains the study's finding that to ensure long-term viability of the Halifax elevator and to re-open the Saint John elevator, the flow of export grain must be increased. I have commented on that already.

At the present time, the Atlantic elevators must compete as an eastern point of export for Canadian grain with elevators in the lower St. Lawrence. The primary disadvantage the Atlantic elevators have is the higher transportation costs to move grain to their facilities relative to the lower St. Lawrence. It is more expensive to ship the grain from Thunder Bay to Halifax than it is to ship it from Thunder Bay to Montreal. The ports find themselves at a major inconvenience. There is a more serious problem in the long run and a more serious problem to national unity in this country. It is much shorter to ship the grain through American ports than it is to ship it to Halifax. Canadian Pacific Railway has

already purchased lines in the eastern United States and has the capability to bypass Canada completely. It has indicated that it has no qualms in doing so if the economic situation warrants. The plans are in the works for that very purpose.

If that happens, what is going to be the purpose of having a rail line in Atlantic Canada? The At and East Program, which would bring grain along on CN tracks through to Halifax, has already been taken away. VIA Rail has been cut and that has cut movement on those lines and those lines are becoming economically non-viable. The next step is to remove those lines completely. What is that going to do for national unity? What is that going to do for the economy of the maritimes? What is that going to do when you look at moving grain from western Canada to eastern seaports? The American seaboard is going to look very attractive. Those are some of the results of this program.

The report says to achieve some competition, "a freight equalization program will need to be designed so the Atlantic and St. Lawrence elevators are equalized from the Canadian Wheat Board perspective." In other words, this report, set up by this government, says that unless there is an equalized payment, some sort of At and East program in other words, those elevators cannot compete. When those elevators close we lose ice-free ports, we jeopardize the very shaky livestock, poultry and beef industry in Atlantic Canada, we lose hundreds of jobs and hundreds of millions of dollars to the economy and we ultimately threaten Dover Flour Mills, a very efficient flour company which has been competing under very adverse conditions and has been doing very well. If the Halifax elevator closed, Dover Flour Mills would be put in danger.

What do we come down to? We come down to something that is extremely illogical because from a straight, economic point of view, to remove this \$40 million program is going to save this government \$40 million or \$35 million, depending on the year, in its deficit but it is going to cost many, many times that much resulting from the loss of that program: all sorts of unemployment insurance, loss of jobs and loss of economic revenue. For a short gain the government is sacrificing a major long-term loss. It is totally illogical.