

Canada Shipping Act

situated. Bill C-75 ignores our regional history, and Atlantic Canada will not forget.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise to speak on the amendments to Clause 4 of Bill C-75, an Act to amend the Canada Shipping Act and other Acts in relation thereto.

I suppose one could ask why we in the New Democratic Party are concerned about Bill C-75. Motions Nos. 5, 6 and 11, standing in the name of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), are an attempt to put some sense and some stability into a particular clause. Much of the Act is worth while; it is a needed Act. However, Clause 4 is anything but needed and the three motions attempt to improve it.

Perhaps one would wonder how an Hon. Member from the Prairies would have an interest in a Bill to amend the Canada Shipping Act. As far as we are concerned, it is an important Act. As the Port of Halifax increases the charges it has to levy against goods going through that port, those levies are transferred sometimes twofold or threefold to farmers, manufacturers, or producers in Saskatchewan and on the Prairies.

I should like to refer to the kinds of concerns which were expressed during the fairly long and drawn out committee stage of this particular Bill. I will refer to the concerns of groups such as the National Farmers Union which indicated very specifically that it was against Clause 4, as it is presently before us, and that it required certain changes. Let me quote:

In its preoccupation to trim the federal deficit, the Government is in effect telling farmers through this Bill that the national interest can best be served by still further increasing farm costs at a time when farmers are in very serious financial straits.

● (1700)

Somewhat over two weeks ago the initial price for grain was announced in this House. The initial price for grain is established on the basis of the projected world price for the coming year. That price dropped by a considerable amount, which has put the western farmer and the Ontario farmer, who produces wheat or grain, in a very precarious position.

What this Bill suggests in this particular clause is an increase again of still further costs on freight, particularly on the cost of movement through the St. Lawrence Seaway. If the cost of moving freight is increased it means the price the farmer receives for wheat will be further pushed down.

The National Farmers' Union goes on to say:

We regard the St. Lawrence Seaway as a national asset that should be maintained in the national interest. It does not make good economic sense to raise rates in the face of declining demand.

There is no question an additional charge in any way placed on transportation at this time will in fact mean disaster to more producers. It will mean producers going broke.

As I have indicated before, by the time a user-pay philosophy is established in the ports or in any part of the freight

system, these user pay costs will be transferred to the producer in the resource area. Sometimes costs are added on twofold or threefold to the costs of the local producer in Saskatchewan.

In addition to those who appeared as witnesses before the committee, there were many others who felt it was important that something be done about Clause 4. Letters were written indicating that people did not believe that Clause 4 should be left as it is. For instance, the Minister of Highways and Transportation in the Province of Saskatchewan, a good Conservative Government in Saskatchewan which is looking after the welfare of the farmers said:

Any increase in costs to users of the Great Lakes/St. Lawrence Seaway system will result in producers looking for transport services which are cheaper. As a result, some traffic may be diverted to the U.S. transportation system causing loss of Canadian jobs.

I have recently written to the Hon. Don Mazankowski—and advised him that the imposition of charges to defray the costs of the Coast Guard are ill-advised—

The user pay concept in this Bill will have a devastating effect, not necessarily on the area where the charges are actually made but on the economic development and survival of other parts of Canada. It seems that the Government is less concerned than it should be about those areas that are farther away from the market. Instead of increasing the cost of transporting products from outside areas, such as Saskatchewan or the North, to the market, costs of freight should be decreased so that products are more competitive in the world markets. Transportation is key to our country. User pay has the effect of making remote areas more remote. Farmers will produce fewer products to be shipped. When you are getting very close to the line in a cash flow position, a small increase is sometimes the straw that breaks the camel's back.

The Western Regional Advisory Council, Alberta Economic Development, also wrote to the committee saying:

The introduction of any regulation which will create an additional cost to the port and port users must not militate against the use of Canadian Ports. We are most concerned that Clause 4 of the act which deals with cost recovery will impact negatively on Canada's international competitive position, by forcing business away.

This is the Western Regional Advisory Council from Alberta making a plea to the Government not to put a user pay status on the ports and seaways because if it does it will force people who use the seaways to look for other routes. The Western Canadian Wheat Growers Association made the same kind of plea as follows:

We do not feel commercial grain traffic should bear the burden of services provided for the public at large, such as defence, search and rescue, and research.

We warn that excessive Seaway charges may result in cargo diversion in both Canada, and in the United States, placing an even heavier burden on remaining captive users.

That point came up quite often on the Prairies. A great number of farmers in Saskatchewan are beginning to look at the Missouri and Mississippi Seaway as a route to ship their grain. A lot of Duluth, Montana farmers are suggesting that rather than send their grain through the Seaway they should send it down the Mississippi and ship it out through New Orleans because that route will be cheaper. These added costs