

Government Organization Act, 1983

The elimination of the subsidy will probably mean the closure of many Atlantic area companies which have been established as a result of this and other Government funds that are made available to make all regions equally competitive in the national marketplace.

The statement of the Chairman of the Atlantic Provinces Transportation Commission was as follows:

A reduction or elimination of westbound freight subsidies could be critical to the existence of Atlantic area companies trying to compete in major Canadian markets.

That is our problem.

As reported in the *Telegraph Journal* of May 20, 1983, T.S. Simms, Jr., of T.S. Simms and Co. Ltd., stated:

Review of the subsidy program is "... a serious threat to the economic health of the region. On the one hand, the federal Government says it is interested in promoting economic development and creating (a) good environment for business and then on the other hand they initiate this kind of review."

The M.W. Graves Company is internationally known. Its President stated:

The M.W. Graves could not survive the loss of the federal freight assistance program and would be forced to move its Nova Scotia operations to Central Canada if Ottawa opts to do away with the transportation subsidy.

How is the Government to answer that one? What does it have to say? Yet it goes with it.

As reported in the *Telegraph-Journal* of June 10, 1983, the Marketing Services Director of Atlantic Sugar stated:

If the federal Government lifts the transportation subsidies, "the future of the Saint John plant would be in jeopardy".

Campbell and Burns stated:

The removal of the federal transportation subsidy would mean industries in (P.E.I.) Province could no longer compete for business outside the Maritimes.

The President of Ganong Bros. Ltd. stated:

The cost to Ganong Bros. Ltd. if Atlantic freight subsidies are lifted will be substantial. But the greater, long-term costs will be felt provincially and regionally and will mean the loss of Maritime jobs.

Mervyn Dickie of Crossley Karastan Carpets stated:

—oppose any change in the freight rate subsidy. With suppliers next door, Ontario manufacturers have a definite edge while Atlantic firms must bear the transport costs of bringing raw materials in and shipping the manufactured product west.

Lock-Wood Ltd. is a substantial company which has gone to great pains to try to develop industry in Atlantic Canada. This is its position as reported in the *Telegraph-Journal* of June 10, 1983:

The Maritime freight subsidies are important to (Lockwood's) business. Removal of the subsidy would make it more difficult to send goods at a competitive price. But even with the subsidies, the company is still facing higher transport costs than its Quebec competitor.

This refers to its Quebec competitor with regard to certain of its specialized markets. The report continues with a statement by its sales manager as follows:

Reduction or removal of the westbound subsidy threatens competitiveness in Ontario and Quebec markets. While interested in further expansion, "we may have to make some hard choices. We might have to locate outside the Atlantic region. The choice is very real . . . not knowing what is going to happen . . . means people have to put plans aside".

Over the last two or three days there have been indications of several millions of dollars in plant expansion with the probability or likelihood of new job creation plans being put aside while the Government contemplates what it will do with

respect to MFRA, and it is a fait accompli, a foregone conclusion.

I remind the Government that this summer it will hear from Atlantic Canada, from Members of its own Party who are from Atlantic Canada, I would suggest even the Ministers, with respect to the hardships that will be imposed on Atlantic industry if the Government tinkers with MFRA and the intraregional subsidy program. The intent of that was not to subsidize or distort the marketplace but, rather, to encourage the location in Atlantic Canada of industries so that they might compete in our limited marketplace here in Central Canada. If the Government carries out its intention of eliminating these grants, these subsidies, it will make it even more difficult for those industries in Atlantic Canada which look offshore for their markets. The Government must remember that we must bring into our region the raw materials for processing for re-exportation. The Government speaks blandly and wonderfully. I welcome the program. It helps friends. It helps people across this country.

The Hon. Member for Victoria-Haliburton (Mr. Scott) has just told us of the difficulty he has had over a long period of time. I am saying to this Chamber that we have a responsibility as parliamentarians, especially those who are Government Members, not to bury the question of regional disparity under a motion and a Bill that, in fact, is not a bad move. We welcome the move. However, I remind the Government: do not ever let the right hand, through a Bill like this, forget or not know what the left hand through other motions or other movements, is in fact doing.

If the President of the Privy Council (Mr. Pinard) now wants to go home for his summer vacation, as far as I am concerned, he can rise. However, I admonish him with respect to this matter. His friends from the North Shore and from the Gaspé region are affected. The Minister of Fisheries and Oceans (Mr. De Bané) knows well the impact this will have on Atlantic Canada. I am happy that the Minister has not intervened in the sense that the Bill is probably a good Bill, nationally. However, I will try to extract a promise from him and other Ministers, and I pray to them not to overlook the question of intraregional disparity in this country, or we will never have the kind of national unity that is born of goodwill, born of the belief that we live and prosper in Canada, equal to all with respect to opportunity. Please be aware; please act to ensure that while the Government puts a good program into place it does not allow, by the other hand, another act of Government to undermine it.

The Acting Speaker (Mr. Blaker): Questions or comments?

[Translation]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am very pleased to be taking part in the debate on Bill C-152, an Act respecting the organization of the Government of Canada and matters related or incidental thereto. My comments will be mainly concerned with Part II and Part III of the Bill, and