

Canada Shipping Act

opposed to any such change, perhaps because it has reserves while the reserves are being taken away from the Canadian Seaway Authority.

The demand for Seaway services is in decline, as reflected in the cargo traffic which was down some 20 per cent last year and 20 per cent the year before. This is not particularly the fault of the Seaway but due to changing market conditions from when the Seaway was established in the 1950s. It does not take much wit or wisdom to realize that this is not a time to be rushing in with substantial increases in the cost of service. There is a very grave risk of having a downward spiral in which each increase in cost leads to a further decline in the demand. Therefore, costs must be spread over a smaller base of use which means that the cost continues to go up until the cost will be virtually infinite on the last remaining ship to use the Great Lakes waterway and the St. Lawrence Seaway.

I am sure that the Minister does not intend to go down in history as the Minister who killed ocean navigation and Great Lakes freight navigation but that in fact could be the ultimate consequence of a policy of full-cost recovery as it is being proposed by the Government.

Let me remind the House of a number of statements made by the Government when it was campaigning for office prior to the September 4 election. In its Prince Albert declaration of July 5, 1984, the present Government stated quite explicitly that it would immediately examine ways and means to provide improved services and equitable rates in consultation with grain producers who were discriminated against geographically. This would include those grain producers who use the Thunder Bay route.

The Government talked about the need for the federal Government and the railways to continued to provide a special low rate to assist producers who are competing with subsidized grain export nations. Again, it does not take a lot of perspicacity to recognize that this is the situation we are facing this year. It has been a difficulty year for grain exports. Countries like China which have been traditional buyers of Canadian grain are themselves beginning to export and we are facing a situation where there is cut-throat competition from the United States and other grain producing nations. Certainly, there is substantial suspicion that there are very major subsidies involved. Our grain industry, particularly the growing sector, has had little or no subsidy throughout its history.

In July, 1984, the Government stated that producers must be guaranteed an efficient cost-effective and reliable transportation system. While there may be two definitions for "cost-effective", the Government believes that it means full cost recovery. However, if full cost recovery means that the grain is simply bottled up in the Prairies and not shipped because it cannot compete on the world market, then it seems to be a damn fool idea, particularly in view of the desperate problems of world hunger in Asia and particularly on the Continent of Africa.

The Minister of Regional Industrial Expansion (Mr. Stevens) and those of his frame of mind within the Cabinet have adopted the theory invented by Milton Friedman. Will the

Government simply apply this theory in the area of ocean navigation and navigational aids and thereby sharply cut Canada's shipments to the world of grain export which amount to \$6 billion a year? Is that what the Government intended? Is that the legacy which the Minister wants to leave?

I strongly urge him to consider deleting Clause 4 which calls for cost recovery on navigational aids and other services provided by the Coast Guard. If he wishes to have that matter become the subject of consultation, let him do so and bring it back as a separate Bill if he is still convinced that something must be done. In other words, let us separate the technical and pollution control aspects of this Bill from the cost aspect of the Bill. Essentially, this measure is two bills in one package.

I question the Minister's comment that his Ministry has consulted widely with respect to this Bill. Too often the Government, like its predecessor, has gone through the semblance of consultation without bothering to listen to what people were telling it. According to the Hon. Member for Thunder Bay-Atikokan, the consultations he has had have demonstrated widespread concern about taking money away from the St. Lawrence Seaway Authority. There was widespread concern about the proposals to allocate all of the costs of the Coast Guard to navigation because of the impact that may be felt by the shipping industry, which is extremely important for us in Canada.

[Translation]

Mr. Speaker, I would like to comment on Bill C-75, and more particularly on the need for a strategy concerning the use of our maritime channels. I am referring specifically to eastern Canada because I represent a constituency along the Quebec border, through which runs one of Canada's canals, the Rideau Canal, which gives my constituents access to the whole world if their craft are small enough to ply the canal. It is not a commercial canal by any means, but still we are aware of the fact that there is a link between the world and the heart of my riding in downtown Ottawa.

Mr. Speaker, the Province of Quebec now has a secretariat for the development of the St. Lawrence. The Province of Ontario recently set up a royal commission on the St. Lawrence Seaway and shipping on the Great Lakes. Our country's two central provinces have begun to show concern over the fact that the resources of the Seaway as well as those of the St. Lawrence River and of the Great Lakes have been practically ignored in planning and regional and industrial development projects.

Mr. Speaker, I commend the Province of Quebec for giving serious consideration to the way it is going to use such a major resource as the St. Lawrence River. You have the port of Montreal and the port of Quebec City, two major Canadian ports, and all along the St. Lawrence River there are very important industrial sites which offer opportunities for the industrial development of the entire Province of Quebec, but it is indeed a resource which until now has been underexploited by the province and the country. As far as I know, to this day