

Restraint of Government Expenditures

Arbitrary decisions have no place in a democratic society. Those who pursue and uphold such deviations from democratic principles should not be too surprised when an angered electorate turns them out of office. One of the dangerous actions a government can take is the removal of a subsidy, especially without any studies made to warrant such action and also because of the lack of any alternative policy to take its place. The removal of a subsidy, and without any alternatives proposed by this government, is abandoning the two basic principles of the transportation policy—a tool of regional development and an instrument of national unity. The areas of regional disparity all across Canada are in no position to make it on their own without such direct assistance from the government, and the government knows this.

If the government remains adamant in including this provision in Bill C-19, it will mean a virtual end to unloads and storage loads to Georgian Bay port elevators. The impact of this upon the elevator operator appears from the fact that, of the through-put of the elevators, the following percentage is accounted for by the grain shipped by water: Port McNicoll, 100 per cent; Tiffen, 100 per cent; Mid-Simcoe, 90 per cent; Owen Sound, 50 per cent; Sarnia, 30 per cent; Goderich, 10 per cent.

The operators of Port McNicoll, Tiffen, Mid-Simcoe and Owen Sound have stated their intention of closing if this traffic stops.

You may ask, Mr. Speaker, about the very serious direct impact that would take place on the closing of these elevators and the reduction in tonnage that would result. Let me illustrate this. Let me illustrate what would happen if these elevators were forced to close down. First, we would lose the use of Georgian Bay ports after the closing of the Seaway, as well as losing a greater utilization of fleets and a loss of greater productivity.

We would lose 19 million bushels of reserve elevator space which in past years of bumper crops has been used to back up the St. Lawrence ports. It would no longer be possible, Mr. Speaker, in times of crisis caused by strikes and slowing down of rail movement to Thunder Bay to maintain an even flow to the St. Lawrence transshipment ports. For these reasons alone I feel very strongly that these facilities should be kept in a viable way and should not be forced to close their doors by the implementation of this part of the bill.

● (2100)

The minister should realize, that although rate comparisons are often made from Thunder Bay via an all-water route, versus a water-rail movement, because the former is cheaper, the fact should be brought out that the all-water route from Thunder to the east coast is very heavily subsidized, because neither the original capital investment nor interest thereon has been paid, together with the vast sums required for yearly operations. It seems unreasonable to me, Mr. Speaker, that one part of the system should be damaged by the removal of one means of support.

[Mr. Mitges.]

I think too that the total amount of dollars, approximately \$11 million is involved, is certainly not great in comparison to the benefits to be gained by keeping the winter grain movement in operation. If this legislation goes through there will be a considerable increase in the price of grain once it reaches the Atlantic ports—an increase that will not be competitive and will do nothing for the economy. What will this policy do to the Atlantic ports? In the Port of Saint John, for example, the elimination of the existing rail subsidies on flour and grain will have a serious adverse effect.

Over the last five years, Saint John has exported an average of 200,000 tons of flour per year, as well as an average of better than 15 million bushels of grain per annum. The effect of this bill will be the loss of this valuable labour-intensive cargo to this port and will also result in the closing of Saint John's efficient and extensive grain handling facilities.

There is no doubt that a substantial portion of this Canadian traffic could be lost to United States ports which would derive an unfair competitive advantage. In addition, the enactment of this policy will result in the loss of jobs for railway personnel, dock labourers, pilotage crews and others in auxiliary services. Not only will this legislation have serious effects on the economy of this country as a whole, including milling, transportation, supporting industries, and wheat producers of Western Canada, it will affect Canada's balance of trade in an adverse way.

Recent policy announcements by the Department of Transport indicate that transportation must be used as a tool to eliminate regional disparity and to further the development of all areas of the country. The government must be blind, Mr. Speaker, if it cannot see and understand the detrimental repercussions that this part of the bill would create if the railway subsidy is allowed to terminate.

It is evident that this proposal will not in the long run contribute to the restraint of government expenditures in any real sense. Surely even the present government can be made to understand that the removal of this railway subsidy is not only contrary to the best interests of all Canadians but is a real step backward in trying to bolster an already shaky economy.

Mr. J. R. Ellis (Hastings): Mr. Speaker, I wish to put on record a fairly brief intervention in regard to Bill C-19. Initially I should like to compare it with the total anti-inflation program inasmuch as it is too little, too late, and poorly conceived.

Bill C-87, the forerunner of this particular measure, was placed on the order paper, deemed to be unimportant and left there to die as the last session died. The government is using the present bill as an excuse for long term planning. If these cuts were necessary, why wasn't action taken before now?

The anti-inflation program has been variously described by the former minister of finance. Not long ago he said it must end right away. The present Minister of Finance (Mr. Macdonald) has stated that it will end on time. The Minister of Public Works (Mr. Buchanan) got into the act the other day saying it would not be extended.