Restraint of Government Expenditures

GOVERNMENT ORDERS

[English]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Deputy Speaker: Order, please. Before I recognize the hon. member I might bring to the attention of the House the fact that although the hon. member for Central Nova (Mr. MacKay) began his speech last night and spoke for one minute it is my understanding and interpretation that when he sought consent of the House this afternoon to yield to the right hon. member for Prince Albert (Mr. Diefenbaker), and when that consent was given, it was on the understanding that he would take the floor again to make his speech. I am ready to recognize him at this time unless hon. members disagree.

Some hon. Members: Agreed.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I want to thank you and my colleagues for permitting me to say a few words on Bill C-19 at this time. I should like to say a few words relating to the transportation aspects of the bill and the worries that plague the people in the eastern part of the country.

In particular I would like to say something, as many members have already in this debate, concerning clause 15 which purports to remove the provision maintaining at the 1960 level the rate for moving grain, and at the 1966 level the rate for moving flour for export to an eastern port, and to remove the subsidy paid to railway companies which allows them to move the grain or flour at those rates. The basic thrust of this section goes all the way back to Confederation when the eastern part of what is now Canada was pledged the completion of the inter-colonial railway as one of the reasons for joining Confederation. The removal or repeal of this statutory provision naturally causes many people in my part of Canada some considerable concern.

The removal of this statutory provision jeopardizes future exports by east coast ports, and when one looks at the natural progression of the philosophy of the government as expressed recently it may well be, as some members from the western part of Canada have expressed it, that there is a fear, through this course of action, that perhaps the Crowsnest Pass rates will eventually be affected. I hope not, but I think it is a reasonable assumption to make at this particular time. By taking this guarantee of which I speak out of the statutory context and putting it in an Order-in-Council sort of scenario we are now legislating in effect by Order-in-Council, or operating by whimsy, rather than by a more permanent and visible guarantee encompassed in the statute.

[Mr. Deputy Speaker.]

It is pretty difficult to divorce transportation problems involved in moving commodities on the export level, from transportation problems that affect maritime livestock raising and domestic agricultural requirements. I think it would be in order very briefly to outline some of the concerns on this particular aspect of the bill. For example in May, 1976, the freight rate on coarse grain from Thunder Bay to the Atlantic Provinces was increased by 12 cents per hundredweight. In December, 1976, the rate on Ontario corn was increased by 12 cents to the maritimes, and by 15 cents to the Annapolis Valley in particular. The net effect of the foregoing is an increase in the transportation costs of approximately $900,000 per year for the region.

The freight rate equalization program which subsidizes the cost of bringing grain in has not been increased to cover these costs. The livestock industry in the Atlantic provinces will have to pay the increase. This will seriously erode the competitive position of these producers vis-à-vis central Canada and indeed other parts of North America.

The primary producers are also concerned about the report of the Darling Commission. These concerns have been expressed in this House on many occasions. I want only now to remind the minister that we must not implement some of those recommendations without making certain this will not damage to an unfair extent the position of the primary producers. The rates for moving grain from Thunder Bay by rail to the Atlantic provinces are based on competitive rates for water haul. Importers have relied on foreign ships to bring grain down to Halifax, for example, and if they have to go to Canadian vessels it is difficult at this time to find such vessels, and of course a higher price will have to be paid to move the grain. No assurance has been received from Ottawa that feed freight equalization will be matched to meet these increases, and some assurance in this regard will be most welcome as well.

● (2010)

As I mentioned very briefly last night at the outset of my speech, it is rather fortuitous that this bill is being discussed in the context of the Auditor General's report which, by its very nature and import, seems destined to create a great deal of interest across the country. A year ago the Auditor General said that the present state of the financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness. Shortly thereafter he went on to say that in the majority of the Crown corporations audited by the Auditor General, financial management and control are weak and ineffective and that, moreover, co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations are virtually non-existent. These were the first two conditions that he enunciated, leading inexorably to his conclusion that, based on the study of the systems of departments, agencies and Crown corporations audited by the Auditor General, the financial management and control of the Government of Canada are grossly inadequate. Furthermore, he stated this is likely to