

*Adjournment Debate*

Termination of the subsidy and the statutory rates will cost Halifax its export flour trade, estimated at 200,000 tons in 1976, and will greatly reduce the throughput of grain at its elevator, thereby increasing the operating deficit of the elevator to the point where its closure will be inevitable.

I thoroughly agree with Mr. Mingo. It is a very marginal operation. The telegram then makes this point:

Prairie grain moves at statutory rates to Vancouver and Thunder Bay, at an annual loss to the railroads which is now estimated at \$150 million or more (and which has to be subsidized by other traffic, including export-import traffic moving to and from the port of Halifax), and from Thunder Bay via the St. Lawrence Seaway at highly subsidized tolls to Montreal, Bay Comeau, and the other river and gulf ports. How is it that this \$11 million subsidy on the movement of grain to eastern ports is singled out for termination?

That is a very good question. Why do we get hit, and other places in Canada do not get hit at all? I suggest no political reason for that. Rather, it is a convenient figure to pick out because it happens to relate to a particular region of Canada. If we had been part of the St. Lawrence Seaway system, for example, we would never have been picked out, yet we receive less than one tenth of subsidies paid elsewhere. I think this is an injustice.

I see the Minister of Transport is not in the House tonight, but he will be for the debate, and it is going to be a long one. We will see that the minister is here and that he answers. There will be a day of accounting, and I will tell the House why. There are three main reasons.

● (2220)

First, the government's proposed measure makes the people of Halifax—probably the people of Saint John feel the same way—feel less part of Canada. Anything which limits their ability to participate in the transportation of any one of the great products of this country makes them feel less part of this country.

Second, the government's measure will mean that Halifax is less than a totally effective port. We have been crippled, in one sense, as a small but vital part of our trade is being taken from us. That, very likely, is the position we shall be in.

Third, the government is ignoring the concept that transportation should be a bond holding Canada together. It should bring us together, I am never sure what one means when one says that transportation should pay its way. Heavens, we have all watched the "National Dream" and learned of the great risks our forebears took to unite Canada and to make all Canadians from, in those days, Cape Breton to Vancouver Island, feel they belonged to one country. Now one must talk of all Canadians from Newfoundland to Vancouver Island.

I do not know why the government has suddenly ignored those aspirations for the sake of a small sum here or a small sum there, although the budget is tight. The government's action is one with which we do not want to live.

If we have in mind what we want to achieve together as a nation would it not be better to pay a \$12-million shot, and thus make the people of Nova Scotia feel that they belong to Canada? Would that not be better than taking their business away, and leaving them to look at things happening along the St. Lawrence Seaway and elsewhere?

[Mr. McCleave.]

I assure you, Mr. Speaker, and I want the parliamentary secretary to assure the minister, that this is the opening shot in the battle. It will be a long battle. The point will be raised time and again. We in Halifax feel that we should be part of the national transportation system. We do not think any minister, or any government, should take that concept away from us.

Earlier I tried to arrange a 30-minute meeting between the Minister of Transport and longshoremen of Halifax for the purpose of discussing this very issue. I wanted the minister and longshoremen to discuss measures which would prevent much of our trade coming through the United States. We are in favour of our trade coming through Canadian ports like Halifax, Saint John, Montreal, Quebec, Toronto, and the like. But my request was refused. Now it is war. The minister will have to account for his position.

**Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I am pleased to be able to respond to the question raised first in this House on February 26, 1976, by the hon. member for Halifax-East Hants (Mr. McCleave) requesting assurance of the full use of east coast ports. I trust that I will be able to offer my hon. friend some comfort in connection with the concerns he raised.

Several of the ports under the jurisdiction of the National Harbours Board compete for business with ports in the United States. Evidence of any specific traffic leaving from or destined to points in Canada which is handled at U.S. ports is carefully investigated to determine the reason. Action is taken to recapture the traffic at Canadian ports, and the quality of port services is under constant review to ensure that Canada's ports are competitive in every possible way.

It is the policy of the Ministry of Transport that port charges will be based as far as reasonably possible upon the user pay principle. Over-investment or under-utilization of port facilities could therefore lead to increased charges, and the problem facing government is to maintain a balance between the over-all investment in and the demand for such facilities in order to keep Canada's ports competitive. In addition to ensuring that ports are competitive in terms of over-all transportation costs, some other contributing factors are: the ability to provide fast turn around times to vessels, and labour stability. The minister must look at the over-all system on the east coast to satisfy himself that a particular port is competitive with others on the Atlantic seaboard.

To the best knowledge of the Minister of Transport (Mr. Lang), major Canadian ports are competitive, reflecting the continued interest of local government, provincial governments, and the Government of Canada in keeping them as competitive as possible.

At the port of Halifax, which understandably is very dear to the heart of the hon. member, there has been a great deal of publicity concerning expansion of the existing container terminal facilities. The present terminal was completed in 1971 and containerized cargo has increased steadily. In 1975 a total of more than 126,000 loaded 20-foot equivalent boxes were handled, which accounted for nearly 1.4 million tons of cargo. Recent general economic