

Canada Shipping Act

to their customers. However, in many cases the additional burden cannot be passed on to customers and it becomes an impediment to continuing to give service.

Mr. Mazankowski: Mr. Speaker, I have a further question for the Hon. Member. I am sure he is aware that something in the order of \$824 million is being spent in the provision of that service. The cost recovery is something in the order of 2.5 per cent. Does he consider that to be an example of exploitation?

Also the Hon. Member indicated that he was prepared to accept that there should be costs for some services which are rendered. One of the reasons that provision in the Bill is rather broad at this stage of the game is to allow the committee to examine it in detail and to hear what the users have to say. If the Hon. Member reads my speech, he would find that I indicated very clearly that there would be nothing imposed without the fullest of consultation with the users, as a matter of fact, in an attempt to try to explore an arrangement or mechanism for the collection of some fees. Hon. Members across the way have been talking in terms of 100 per cent cost recovery. There is no transportation system which functions on 100 per cent cost recovery, and the Hon. Member knows it. I appreciate his remarks in this regard, but I think it is an area at which the committee can look in some detail. Then perhaps we can tighten up that portion of the legislation in a way that charges could be levied with some degree of accuracy and perhaps more clearly defined.

Mr. Ouellet: Mr. Speaker, I welcome the comment of the Minister when he acknowledged that any charge would not be imposed without proper consultation. Also I welcome his willingness to have the committee look at the Bill clause by clause and to devote the necessary time to consult with users. Indeed, I look forward to reaching that stage in committee. Some of the people who will be affected by these new charges could appear and indeed indicate their fear and their requirement not to be strangulated.

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad to have an opportunity to comment on this Bill which will amend the Canada Shipping Act, in particular, and certain other related Acts as well.

There is a port in Toronto. I am not sure whether the Hon. Minister is that well acquainted with eastern Canada, but we do have a port in Toronto, and the port is in fact part of the Seaway. Of course the port was there before the Seaway. But, it is of concern to the City of Toronto whether that Seaway traffic declines or not, and a certain slice of the prosperity of the City of Toronto depends on the maintenance of the Seaway traffic. While the revenues go properly to the federal Government, there is all the indirect revenue that comes to the commerce and industry of the city.

We notice from the letter of the Minister of October 1, 1984, in response to correspondence that he had regarding this, he makes a pledge. This is October 1, 1984, and he says: "I have asked by officials to defer any increases in the Seaway tolls pending a complete analysis of the Seaway's future needs

and its importance to Canada's economy". It seems as though, having made that pledge a year ago, and having that pledge in fact enthusiastically accepted by his correspondents in the Great Lakes Waterways Development Association who welcomed that kind of a challenge—it would appear that his conclusion must have been that the Seaway is of little importance in the economy of Canada. The actions that he is proposing appear to envisage the disappearance of the Seaway rather than its maintenance, and that is what gives us concern in Toronto.

Shipping has been decreasing over the past year or two, especially since the tolls were increased, and now the reserve is to be taken away. It is very interesting that just at the time the reserve is taken away, there is a collapse in the Welland Canal. In response to a question a couple of days ago, the Minister explained clearly that he could not tell us anything about what was going to be done about that collapse. In fact, the Seaway took over the obligations of the Welland Canal and has thereby provided a good deal of revenue to the federal Government that was not coming before. The Welland Canal was being subsidized by the federal Government to the tune of perhaps \$30 million but, now that it is incorporated into the Seaway, the Government is free of that expense. But, the Government nevertheless decided not to allow the money that had been paid in by the shipping industries as a reserve against trouble to be any longer available in the accounts of the Seaway. It looks as if that may have been a very unwise decision.

Toronto is at present a considerable transportation centre not only for shipping, that is for water shipping, but for rail and for road and for air. There is a long-range danger—and I do not mean in hundreds of years; I mean in years, in a decade or so—a long-range danger of not only Toronto but a good many other cities on the Canadian side of the border losing out to the American systems of transportation which in some cases are very highly subsidized by the American Government.

The Hon. Minister said recently that there was no system which is 100 per cent subsidized. That may be true, but I am sure he is aware of the information given by the Great Lakes Waterways Development Association a year ago to the effect that the United States administration continues to support 100 per cent recovery of all operations and maintenance costs as well as capital expenditures. I understand, Mr. Speaker, that this applies, for example, to the Mississippi waterway. What we are faced with is the prospect of the \$2.5 billion industry of shipping Canada's grains to the East through the Seaway being diverted—all or part—to the Mississippi waterway.

● (1650)

Of course, if our Prime Minister (Mr. Mulroney) can charm President Reagan sufficiently by singing "Irish Eyes are Smiling", perhaps he will be able to persuade President Reagan that that is unfair competition and, in the spirit of free trade, President Reagan will no longer allow the Mississippi waterway to be subsidized, no longer allow it to compete with the St. Lawrence Seaway. Perhaps. Before additional charges are laid