

It is true that Bill C-31 proposes to repeal section 272 of the Railway Act, and thus eliminate a subsidy for export grain and flour via Atlantic and east coast ports. This subsidy was largely an indirect payment to the milling industry because it froze the freight rates.

By repealing section 272 of the Railway Act and replacing the hidden subsidy with a direct payment to the milling industry we remove unnecessary distortions in the transportation network. Since we have an understanding with the milling industry on a flour assistance program which will come into effect once section 272 has been repealed, there is no reason to believe that Atlantic ports will suffer.

Moreover, Mr. Speaker, the whole question of grain transportation has been discussed with the Canadian Wheat Board, and officials from the Grains Group are now working with the board to consider all transportation options, including the possibility of the movement of grain from the bay ports to the Atlantic seaboard.

This is the essence of the minister's discussion with the Atlantic provinces last week. It is the government's intention to make the best use of transportation dollars, but as recognized by our action on the flour subsidy where regional objectives dictate a departure from a policy of cost effectiveness we will not hesitate to do so. But when a subsidy is paid, it should be made directly and where at all possible it should not distort other variables in the market place such as the transportation system.

Therefore, Mr. Speaker, we believe that eliminating Section 272 of the Railway Act works in the best interest of national policy, but such things as the flour subsidy and our efforts to assess different options for moving grain to Atlantic ports reflect our sensitivity to the developmental objectives of the Atlantic region, objectives, Mr. Speaker, this government stands firmly behind, as we have demonstrated in the past through many initiatives through DREE amongst other things, and we will continue to demonstrate our commitment in the future.

The Atlantic region, as the hon. member did mention, is different from the other regions in the country and requires special consideration. This difference has been embodied in the objectives and principles of our new national transportation policy—a policy development in which the Atlantic region was closely involved, particularly at the provincial level.

MANPOWER—CANADA WORKS PROGRAM—SUGGESTED
CREATION OF SPECIAL FUND FOR RECYCLING OPERATION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, it is a pleasure to follow two such distinguished questioners in the adjournment debate this evening, as well as the respondents.

On February 15 I directed a question to the Minister of Manpower and Immigration (Mr. Cullen) regarding some of the problems in the new Canada Works program. I feel that when this program was initiated the department should have allowed itself almost a year to rethink the things that had gone

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wrong with the Local Initiatives Program and to consider all the changes necessary when shifting from what was at one time an innovative scheme of local initiatives, to direct incentive job creation, which is something quite different. Time was not found for reconsideration, however; quite the opposite.

The second allocation to the Local Initiatives Program at the end of 1976 strained the resources of the department to the limit in order to spread around that allocation and get late starting programs off the ground. Almost at the same time there was a call for applications for the new Canada Works program. Yet it carries with it many of the shortcomings of the other program, it seems, in terms of short range developments, insistence on new projects, and hiring people who are unemployed. For many worthy programs this almost forces people into the anomalous position of firing the people they have in order to pick up a grant to hire additional people and thereby qualify for enough funding to keep them going.

It seems to me that in tackling unemployment the federal government should act in conjunction with the municipalities and regional districts, working closely at that level. They have the planners, engineers, foremen and personnel to provide ongoing guidance and supervision. If the federal government must get directly into job creation or direct incentive, it should work through the existing institutions such as the Armed Forces. I am sure everyone was pleased to see the recruiting drive for 5,000 personnel for the Armed Forces. I am sure those jobs can be created far more cheaply than through the Canada Works program or LIP. It is better to put the money into such things as scientific and medical research, or even public works, prone as they are to the old misuse of patronage.

● (2220)

The Post Office in the town of Lumby, in my constituency, is a disgrace. We could have embarked on a rebuilding project this winter, and thereby relieved some unemployment. That would have been a worth-while project.

If all this is not sufficient, let me suggest a couple of important areas in which the government could act. One is recycling, the other pollution control. Many jobs could be created in these areas, to good effect, if only the government allowed those jobs to be long-range ones, and if every five or six months it was not necessary to let people go in order to begin new projects. It is difficult to sustain recycling. Private industry has not seemed to come to grips with the question, and it is too big a question for municipal governments to deal with. There are not industries in place which can use the products of recycling. Therefore that is another area in which the federal government could be legitimately involved in job creation.

There is nothing romantic about this proposal. If implemented, it will not lead to pictures being taken of people handing out cheques every time some glamorous new project is begun. But, if accepted, it will mean the development of a crucial program which will save limited resources in an era when the saving of resources has become highly important.