

area which needs all the help it can possibly get to improve its economy.

In substantiation of that fact, one has only to look at the latest report published by the Unemployment Insurance Commission which indicates that during the past fiscal year it paid out \$52.5 million in unemployment insurance benefits in this area. Surely this gives hon. members an idea of how badly the economy of the Atlantic area needs a shot in the arm rather than the type of discrimination which will occur under this new freight rate structure.

The amount paid in unemployment insurance benefits in the Atlantic area is exceeded only by the amounts paid in the provinces of Quebec and Ontario, and we must not forget that those two provinces have greater labour forces than the Atlantic provinces. In 1966 in the Atlantic area the labour force consisted of 626,000 people. In January of that same year there were 106,000 of that labour force unemployed. That represents 17 per cent of the total labour force, the highest percentage in any part of Canada. Yet, this government has the temerity to go along with a rate structure which is definitely going to discriminate against the economy of that area.

In the Atlantic area we have the lowest average wage of any area in Canada. In 1966 the average wage, not including agricultural wages, in Prince Edward Island was \$64.71 per week; in Nova Scotia it was \$76.27 per week; in New Brunswick it was \$80.22 per week and in Newfoundland it was \$84.91 per week. The national average wage in Canada for the same period was \$96.53 per week. In view of these figures, is it any wonder that we in the Atlantic provinces are asking for help to improve our economy? Whenever the government gets the opportunity it discriminates against us. This latest move to unify the rate structure, if I may use that term, is just another example of this discrimination.

There is no question but that this new rate structure will increase the cost of production and increase the cost to the consumer in the Atlantic area. Normally a change of this kind would have to be approved by the Board of Transport Commissioners, but by reason of the new legislation enacted not long ago this approval is no longer necessary. If you refer to the debate that took place at that time you will find it was pointed out that this system would result in our freight rates being increased. At that time we were assured that this would not be the effect, yet today we find our fears have been realized.

Rate Structure on Freight on Maritimes

Not long ago I read a press report to the effect that the hon. member for Westmorland (Mrs. Rideout), when questioned about this matter said that she had been assured by the government that there would be no discrimination against the Atlantic area. I hope the hon. lady has the courage to stand up tonight and castigate the government for allowing the present situation to develop.

This new rate structure will be of some assistance to those manufacturers and shippers who have been shipping entirely by express, but there are many small manufacturers in the Atlantic area who ship from point to point within the area who will be adversely affected. They do not manufacture or sell their products on a scale which would allow them to ship carload lots.

The new rate is apparently based on cubical content, which is multiplied by ten pounds per cubic foot. I wonder where that ten pounds per cubic foot formula was found. It seems to be exceedingly high in view of the fact that when you ship by air, and the capacity of an aircraft is much less, the cubical content is multiplied by 6.9 pounds. This new formula will tremendously increase the freight rate for manufacturers who ship less than carload lots. I think it has been accurately estimated that in some cases the rate will go up by some 282 per cent. Surely, this is a tremendous discrimination against the small manufacturer in the Atlantic area who ships from point to point. It will not greatly affect the larger manufacturers in central Canada who ship mostly carload lots.

● (9:00 p.m.)

We have a great many small manufacturers in our area, Mr. Speaker. I suggest that industry should be encouraged and we should not trample upon the transportation facilities that exist. As I say, we have in the area a great many small manufacturers who will suffer severely, if not be forced into bankruptcy, by this change. I therefore suggest that the government give very serious consideration to nullifying this change, and immediately.

Hon. Hugh John Flemming (Victoria-Carleton): Mr. Speaker, any remarks which I shall make or any ideas I attempt to advance this evening have been pretty well covered by the hon. member for Cumberland (Mr. Coates) and the hon. member for Kings (Mr. McQuaid) who has just spoken. However, there are a few matters I should like to bring to the attention of the new minister. In the same breath I congratulate him on his new portfolio. If he