

Trans-Canada Highway Act

there are indications that we are moving in the direction of completion and that as is indicated in the report of proceedings under the Trans-Canada Highway Act for March 31, 1958, by the end of next year the highway will be completed with the exception of that section of it that is through Newfoundland.

I am going to suggest that it is not sufficient merely to make more money available as is being proposed in this resolution and to make the payments to the provinces on the same formula that has existed since 1949, with the slight amendment that was made to the formula in 1956, namely that we will contribute 50 per cent of the cost of building the highway plus an additional 40 per cent for 10 per cent of the route in each province. I believe that formula should be reviewed and altered. It assumes a number of things, not the least of which is that road building conditions, road building costs, economic factors, mileage and all the other related matters in connection with highway building are equal as between one province and another. We know that is not so. We know that these conditions are not equal throughout Canada, but that in many cases vary on all aspects of the factors that go into building and into the cost of building highways.

It also, to a degree, penalizes the provinces which are able for one reason or another to work more quickly than others and complete their sections of the highway. It places a heavy financial burden generally on all the provinces participating in this type of program. I suggest that we should alter, change and review the present formula using, if you wish, as a base the present 50-50 arrangement plus an additional 40 per cent of 10 per cent of the cost of the highway and then computing an additional grant based on the mileage distance in each province.

To give hon. members an idea of the situation I would refer them to page 4 of the report of proceedings under the Trans-Canada Highway Act dated March 31 of last year where mileages in the different provinces are given. We find, for instance, that Ontario has a total mileage of 1,436 while Prince Edward Island has only 71. We find that Ontario has two and a half times the mileage of the province with the next largest number of miles to construct. In my opinion we should take into account, in determining additional payments, the difference in the mileage which exists between provinces, and attempt to ensure that in addition to the basic arrangement of 50-50 plus 40 per cent of 10 per cent Ontario should receive more money in terms of grants because of the much greater mileage which has to be built in that province compared with Prince Edward

Island. I use those examples because the one province has the longest mileage and the other the shortest.

In addition, other factors should also be taken into account and payments made to provinces should depend on their road building costs. Let us compare, for example, the two most westerly provinces of British Columbia and Alberta. I take these as examples because they are close together. In British Columbia we have, as the minister knows, a number of what we classify as million-dollar miles, that is to say it costs \$1 million to build one mile of highway to trans-Canada standards. This is the general figure that is used; I may be out by a few dollars one way or another. But I am sure that in Alberta road building costs are not nearly as high per mile as they are in certain sections of British Columbia. Certainly, the same can be said of Saskatchewan. The minister himself remarked that costs in Saskatchewan may be relatively small as compared with the cost of some sections through British Columbia. The minister also mentioned the Newfoundland section where road building costs are higher proportionately than in other parts of the nation. This factor should be taken into consideration, because it is evident from a study of the financing involved that the cost in certain sections of Canada can be much greater than in Saskatchewan, Manitoba, or other provinces where the cost per mile of highway construction is relatively small.

Another factor which must be taken into consideration and used in developing a formula for payment is the economic ability of a province to pay its share of the cost. One of the assumptions behind this 50-50, 40 per cent of 10 per cent formula—and it is an incorrect and false assumption—is that the ability of one province to pay is as great as that of any other province in the nation. We know this is not the case and that all provinces are not equally able to bear their share of the cost.

Let us take two provinces which have comparable mileages to build and in which economic conditions are different. I choose New Brunswick and Alberta. New Brunswick has 390 miles compared with Alberta's 282; it has more miles to build and certainly it is a province which is less rich than Alberta and less able to pay its 50 per cent of the cost of the program. Some consideration should be given to ensure that additional payments are made to, say, the province of New Brunswick and the province of Newfoundland because of the economic differences.

For instance, we have Newfoundland and British Columbia at opposite ends of the nation, each with about the same number