

CNR and Air Canada

involved with regard to the shipment of automobiles from a special gathering point in Halifax to Newfoundland and perhaps elsewhere. During the same year we undertook a considerable expansion of ferry service to P.E.I. with two new ferries introduced last year and a third coming into operation this year. I believe it is agreed that results have been highly satisfactory. We have undertaken, in co-operation with the government of Nova Scotia, major improvements in the shore facilities for the Woods Island-P.E.I. service and these are now well underway.

In co-operation with Canadian Pacific, ferry service from Saint John to Digby has been modernized at a cost of many millions of dollars, and we have provided the financing for a ferry terminal at Yarmouth to accommodate a second ferry to New England which is being sponsored by the government of Nova Scotia. Construction in the Strait of Canso of a new rail car terminal provides an alternate ice-free port for the Port aux Basques ferries. New harbour facilities have been constructed at Corner Brook at an estimated total cost of about \$5 million. This year the National Harbours Board will undertake studies expected to lead to expansion of St. John's Newfoundland harbour facilities at a cost of as much as \$10 million. Last year and again in 1972 we will operate two additional ferries on the Gulf service, thus greatly expanding capacity.

Air services in the Atlantic region have also been improved through the provision by EPA of jet service to P.E.I. and to Labrador. In addition, I have obtained a detailed study of future air traffic patterns in the Atlantic provinces and in the Atlantic region and have made copies available to members. These will help us to determine our airport policy in this region in the future. Many improvements have been introduced at both major and minor airports throughout the region. By introducing the so-called "TOPS" program we reduced landing fees at Gander by approximately two-thirds and the runways at Gander have been lengthened, at very great cost, so that Gander can now accommodate the world's largest airliners.

These are by no means all the projects either completed or underway in the Atlantic provinces. We have provided much better transportation services to the Magdalen Islands and will spend close to half a million dollars this year to improve loading facilities in both P.E.I. and on the Magdalens. The hon. gentleman from Prince Edward Island who spoke earlier I am sure will be glad to hear this.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. minister but the time allotted to him has expired.

Mr. Jamieson: May I continue, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Is it agreed that the minister be allowed to continue his remarks?

Some hon. Members: Agreed.

Mr. Jamieson: Thank you very much, Mr. Speaker. I am just about finished.

A special commission recommended ways in which we could modernize the coastal boat services in southern

[Mr. Jamieson.]

Newfoundland and the ferry operations between the Island and Nova Scotia and many of these have been implemented. A similar commission is now examining coastal services in the rest of Newfoundland and Labrador. We have also, I might add, provided a federally subsidized ferry service across the Straits of Belle Isle and supported several other short-haul ferry services in eastern Canada, as well as in other parts of the country. This combination of projects will, I am sure, continue to bring about worthwhile improvements in the whole mix of our Atlantic transportation services.

For over two years I have been very conscious of the need to integrate various waterborne and air services into our transportation planning. In line with what I have said about the need to encourage industrial development, I have asked for a detailed examination of the advisability of providing some form of assistance for various raw materials originating outside the Atlantic region but which must be brought in in order to permit greater manufacturing and fabricating activity. I believe this is one important issue to which all of us should apply ourselves. You will appreciate that it is not an easy task for I believe that such assistance must be provided on a selective basis and only where there is clearcut evidence that industrial stability and expansion would result. In cases where such raw materials are most economically transported by water, it seems logical that this mode should not be excluded from consideration for subsidies.

I am also seeking means through which Labrador, that increasingly important area of Atlantic Canada, can be assisted through new transportation policies. Obviously the long term solution lies in opening up Labrador through a good system of roads, but this will take some time to achieve and in the interim I have asked for an assessment of the possible benefits of an extension of water and perhaps air subsidies to communities in this region.

• (1610)

What I have recounted today is only a little of the over-all story. We have seen over the past nearly 100 years how intractable some of our problems are in the Atlantic region, partly because of the unnatural geographic makeup of Canada but also because of many other factors, some of which I have tried to outline. I think it is now clear, with the benefit of hindsight, that simply arguing for lower freight rates is not the answer. I have no quarrel with the argument that transportation costs have to be kept as low as is reasonable, but I suggest that it does over simplify the problem. Nor is it entirely a matter of providing more and ever more public moneys. These have to be spent of course, and when the total from all departments is taken into account, as I have shown, the annual federal expenditures in this region are by no means inconsiderable, and they are increasing all the time.

If I may have the indulgence of the House for another moment I should like to make a few general comments. What we must do with these expenditures is to channel them to the maximum extent possible into the creation of a stronger, more permanent economic base. I do not believe that any member of this House from the Atlantic provinces would disagree with this objective. It will serve little purpose in the long run if we build roads at great