

National Transportation Policy

that submitted by the Atlantic premiers. The federal government established an advisory board which was composed of four provincial and two federal representatives. The board has been advisory in every sense of the word. Its latest report is another piece of advice, and nothing more. It does not contain anything really useful and helpful to the Atlantic area. It is a far cry from the agency proposed by the four premiers. It has been anaemic and non-effective in its efforts to assist the area in its fight to overcome its transportation disabilities. The premiers' report stated as follows:

The provinces will accept modification in the blanket subsidization of intraregional traffic subject to the strict qualification—

I underline the words "strict qualification".

—that a federal-provincial agency be empowered to administer transportation assistance from federal funds to selected industries within the Atlantic provinces.

That is found at page 11 of the Atlantic premiers' report, which is entitled "The basic elements of an Atlantic provinces transportation policy," submitted to the federal government in March, 1969. On page 12 of the report they suggest that members of this agency be residents of the Atlantic provinces and that the administrative offices be located in the Atlantic provinces.

The federal government did not carry out the desires of the premiers with regard to either the type of board or make-up of those appointed to the agency it did establish. The committee has no power and no money. However, the federal government did latch on to the proposal and suggested that the intraregional subsidy be reduced. They reduced it from 20 per cent to 17½ per cent. They had intended to reduce it a further 2½ per cent to 15 per cent on April 1 of this year, but because businessmen and others in the Atlantic area raised particular hell prior to April 1, the proposed 2½ per cent reduction was not put into effect.

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The premiers' report also recommended, as is found at page 23 of the report—

That the federal government take the necessary steps, either by legislation or by agreement, to maintain the freeze on Atlantic provinces rail rates until such time as the regional transportation policy is effective.

The government implemented its diluted and unrecognizable version of the premiers' report in September of 1969 and immediately thereafter freight rates began to rise. Rates which were 50 cents on September 23, 1959, were 81 cents on February 14, 1972—a 62 per cent increase. Freight rates which were \$1 on September 23, 1969, were \$1.46 on February 14, 1972—a 46 per cent increase. Rates which were \$2.50 on September 23, 1969, were \$3.32 on February 14, 1972—an increase of 33 per cent.

In all, there have been seven freight rate increases since September 23, 1969, the date on which the railways were allowed to impose increases. I am not objecting to the railways increasing their rates if the money is required in order to carry on the service; I am objecting to the federal government allowing them to increase rates without making certain that the increases are necessary and, second, that they are within the means of the industries of

[Mr. Coates.]

Atlantic Canada. In the latter case some form of subsidy should be provided so as to offset the effects of the increase. This has never been done.

Under present government policy, freight rates will continue to increase forever or until there is not a single viable business operation left in the area. The minister's statement today did not give much hope to industry as far as freight increases are concerned. We are told that yet another increase is coming. It is obvious that this situation cannot be ended on the basis of what the minister told us today.

We have faced many disabilities in Atlantic Canada since 1867 and some of them can be traced back to the beginning of this nation. The federal government by its policies has manufactured many of the problems that plague us to this very day. Certainly, the national industrialization policy dating back to 1867, coupled with federal tariff policy, has made it very difficult for industry to develop in both the east and the west. It is a disadvantage from which both versions suffer to this day.

Atlantic Canada and western Canada continue to subsidize the industrial complex of central Canada. Atlantic Canada was cursed by a second decision, this time in the military field, which made the journey from that region to the markets of central Canada both longer and more expensive than it might have been. We have never experienced a transportation policy which would allow our goods to compete in the marketplaces of central Canada on an equal footing, and the government has never been willing to alter the tariff system in order that our goods could flow from north to south, the logical path.

The time has arrived when a number of actions must be taken by the federal government if we are to enjoy the benefits of a true transportation policy. First, tariff barriers must be lowered in order that goods from our area may reach their natural market in the northeastern United States in a competitive position. Second, an effective course of appeal must be made available against the avalanche of freight rate increases which have faced the region since September 23, 1969. Third, an agency along the lines proposed by the Atlantic premiers should be established and funded so that the original objectives of the premiers' proposals can be achieved. Fourth, the activities of the Canadian car demurrage bureau must be blunted so that it cannot arbitrarily change the basis of charging demurrage without shippers at least having the opportunity to argue their case before the Canadian Transport Commission on appeal when they consider the charges exorbitant. Fifth, the agricultural industry of Atlantic Canada must be placed in a position where it is no worse off than any other area of the nation. In order to accomplish this, protein concentrates and mineral supplements originating in the central United States and Canada for use in livestock and poultry feeds should be included under the provisions of the federal feed freight assistance policy so that Atlantic producers may achieve a competitive position vis-à-vis those in central Canada.

Only when the federal government undertakes in earnest an over-all transportation policy of this type can we hope to develop a viable industrial and agricultural base. It is true the government has moved in the field of truck transportation and ferry transportation and has also pro-