

*Maritime Code*

It is a fact of life that British Columbia shippers enjoy a lower rail rate on a mileage basis only because of their ability to move goods across this country by water through the Panama Canal. The recent Canadian National-Canadian Pacific increase in rail rates has caused shippers in British Columbia to look again at the water or ocean movement of British Columbia products to the east coast of the United States and Canada.

What we are doing by insisting that we move merchandise from British Columbia via the Panama Canal in Canadian bottoms is creating a monopoly situation that will either be owned by single interests or by the railroads of Canada. Such a monopoly situation would make the products of British Columbia more expensive to eastern markets and would reduce the take-home pay of the workers in British Columbia. It is absolutely essential that this be understood, and the point was made to the former minister of transport in October, 1974.

In his opening remarks the parliamentary secretary mentioned that we had heard from many committees. It is interesting to note that the steering committee did not see fit to bring back to the transport committee the points made by the Council of Forest Industries of British Columbia. In the discussions in committee I was not made aware that the Council of Forest Industries had made a presentation to the Minister of Transport. I think that was an oversight that has not worked to the advantage of British Columbia shippers.

It is a known fact that limiting the movement of British Columbia products to the east coast of North America via the Panama Canal in Canadian bottoms only would raise the cost, and the limited volume of freight would leave us pretty much in a monopoly situation which would work against our interests. I have been advised that clause 8 can only work extreme adverse hardship on British Columbia shippers.

The hon. member for Dartmouth-Halifax East (Mr. Forrester) pointed out that the same fears existed when Canadian bottoms were limited to the Great Lakes. I should like to point out that on the Pacific rim and in the port of Vancouver we have been serving the hinterland with overland common point rates of the railroads. Much of the service which comes through that port has been due to that classification of freight rate which recognizes the competition of the Panama Canal.

I also point out that the fears of my colleagues about the Great Lakes mentioned by the hon. member for Dartmouth-Halifax East did not come to pass. I would suggest that the Great Lakes and the St. Lawrence seaway system are a heavily subsidized system for which you could not get an honest comparison of rates.

The Welland Canal alone requires a subsidy of from \$33 million to \$38 million a year over and above its revenues. The total St. Lawrence seaway system accumulated deficit is approaching \$800 million. With that type of subsidy I suggest there is no argument left to allay the fear in British Columbia that Canadian bottoms moving British Columbia goods via the Panama Canal to eastern Canadian coastal ports would do anything but increase the cost of moving those goods to markets. As we are dealing on a delivered basis that increased cost can only come out of the payroll and revenues of British Columbia.

[Mr. Huntington.]

To give an idea of the volumes unvalued I will take two commodities, Mr. Speaker. In 1974 the lumber moved by rail and truck from British Columbia to eastern markets totalled 471 million cubic board feet. At 50,000 cubic board feet to a carload we are talking about nine to ten thousand carloads of this one commodity.

Another product is plywood. In 1974 we shipped 650 million square feet. At 55,000 square feet to the carload we are talking about some 11,000 or 12,000 carloads of this product. That all moves into these eastern markets and the rail rate has to be competitive with water rates that are available from other flags attending the west coast market.

I think the government should be very careful with this clause of the bill because it carries most serious economic consequences for the people of British Columbia. As I have said, we are very capable of designing and building efficient equipment to service the coastal areas and the north into the Arctic. Our main concern is the intercoastal movement of British Columbia products via the Panama Canal. We do not criticize the need for a Canadian merchant marine; if fact, we on the west coast would like to see a Canadian merchant marine, but perhaps with a broader reason and use.

Canadian consumers suffer a very serious disadvantage and deficit when dealing with members of the Ocean Conference. Because we in Canada do not have a Canadian merchant marine we are not party to the Ocean Conference. It is difficult for the port of Vancouver to compete with Seattle as U.S. shippers are members of the Conference. For instance, containers are delivered by the ship slings to the ships at Vancouver and the cost thereafter of moving the container to rest at Vancouver dock or shed is charged to the account of the shipper or receiver. In Seattle, a port which is part of the Ocean Conference, the container is delivered from the ship to "at rest" in the shed, at the expense of the ship. Therefore shippers or receivers in the port of Seattle do not have to meet this additional cost. That is not the case in Canada, as we are not part of the Ocean Conference.

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There is no Canadian Marine Industry. I do not think anyone would criticize attempts to establish such an industry in this country. I think the inclusion of clause 8 as worded in the bill shows that the Minister of Transport and the ministry have not given due consideration to the needs of British Columbia.

Another matter to do with clause 8 concerns Canadian bottoms, or the lack of them, involved in coastal trade. I am concerned about trade via the Panama Canal. Canada faces tremendous capital needs for energy, and in the immediate future for modernizing its transport system. Why should we involve ourselves in pouring capital into Canadian bottoms when other bottoms are available to serve us, and take B.C. products to east coast markets? I should like to see this aspect of clause 8 corrected, in order that there may be due consideration of the factors I have mentioned. All regions of Canada must be considered in the matter of transport.

Another concern is this: it has been my personal experience that it is extremely difficult to find crews to man ships. At present we in British Columbia are building a