

Rate Structure on Freight on Maritimes

As a member from the maritimes, I could use many words that have been used by politicians from our part of Canada since 1867 to describe our feelings as a result of changes in rates, rules, practices and conditions and all of them would qualify so far as I am concerned to describe the urgency of the situation which now faces the business community in the Atlantic area.

I am sure the minister has been informed by members of his own party of the dangers which are inherent in the new rates for l.c.l. shipments. At the same time, I must assume that the minister either has not considered the matter to be as serious as I believe it to be or that the members of his party who have brought the matter to his attention have not been able to impress him with the extent of the damage that has already been evident and which will continue to be in evidence unless action is taken immediately.

I wish to urge the minister immediately to effect a moratorium on the decision of the Board of Transport Commissioners of August 2 and allow a period in which proper submissions can be prepared to show why the new rates should not apply in the Atlantic provinces. The arguments against the allowance of these rates are as old as confederation. We, as Canadians, should not be entering into the second century of confederation in a far more disadvantageous position than that in which we were when we entered into union in 1867.

In recent years, the provincial governments in all four Atlantic provinces have made a determined effort to attract new industry and maintain old industries in our area. We have always been at the mercy of the railways in so far as transportation is concerned because we have not had the competition that is very much in evidence in central Canada. While the new rates do represent reductions in former first and second class express rates, this is of no interest to shippers who formerly used l.c.l. freight service, the type of service which previously looked after the large volume of non-carload traffic. From this point of view, this type of traffic is subject to very severe increases. Articles of a bulky nature such as luggage, boats, canoes and potato chips will have to face staggering increases. Examples indicate increases as much as 288 per cent for potato chips, 369 per cent for canoes, 171 per cent for outboard motor boats and 228 per cent for steel tanks. Another example is the increase on stoves or ranges where the increases average 90 per cent.

[Mr. Coates.]

• (8:50 p.m.)

In the area of the Atlantic provinces with which I am familiar there is a manufacturer of luggage, namely the Christie Trunk & Bag Company. They desperately need an alternate form of transportation if they are to compete on a regional and national basis. There are two stove manufacturers in Sackville as well as The Enterprise Foundry Company Limited and Enamel & Heating Products Limited. These organizations have been in business for many years and have surmounted almost every imaginable obstacle in order to maintain national businesses. They certainly will find difficulty in hurdling this last obstacle created by this government in the form of this substantial increase in the new freight rates.

If this government is concerned about inflation, surely it does not want to increase the burden that will naturally fall on the shoulders of the consumers by increasing the freight rates, which will be the result of the freight rate structure now proposed by the railways. If the railways wish to maintain their volume of business, a more realistic set of rates should be adopted, particularly in view of the fact that shippers have had less than two weeks to prepare themselves for these new rates, although the new rates on non-carload lots were filed with the Board of Transport Commissioners on August 2. Would it not be proper and prudent for the Minister of Transport to declare a moratorium in order to take a long second look at the likely results of these increased rates, and a second look at what may happen to the business communities of the Atlantic provinces if these rates are maintained? In this way the government could show the people in that part of Canada that it is not the minister's or the government's wish to drive many of these small businesses, and perhaps many of the larger ones as well, into bankruptcy. Let me suggest to the minister that a very real crisis exists in the Atlantic provinces as a result of these less than carload lot rates. I ask the minister to take action now.

Mr. Melvin McQuaid (Kings): Mr. Speaker, it is not my desire to unduly prolong this debate but I feel I should add my voice to those protesting this single rate structure which has been described, I think correctly, as the most radical rate change in the century. This is bound to have a discriminatory and adverse effect on the economy of the Atlantic area. I cannot understand why there seems to be a diabolical design on the part of this government to discriminate against this