

Atlantic Regional Freight Assistance Act

100 people were affected directly by pay reductions in the area. It affected people right on the waterfront. All of this trade as well as the trucking operations in a large area slowed down immensely. The \$2 million structure no longer is of any value. It has become a white elephant. Was this subsidy removed in order to be included in this kind of legislation? It does not seem to make sense. A facility costing \$2 million was provided and then the subsidy of \$75,000 to a shipping firm was eliminated. This caused a tremendous impact on the economy and the cost of living in that area. Why was this subsidy removed? Will it in fact be replaced under this legislation or is there any provision for replacing it?

Mr. Jamieson: I will try to deal with the hon. member's questions one at a time. I have already covered the matter of consultation with the premiers and representatives of the four Atlantic provinces. To the best of my knowledge, the reaction has been favourable to this proposal. It has been a matter of record for several days and I have not heard anything adverse with regard to it. In any event, it was the subject of earlier discussions with them so that they were reasonably well aware of what we were proposing.

• (12:30 p.m.)

I envisage that the committee will have representatives from at least the four Atlantic provinces. I mentioned earlier to Quebec members that we will make proposals to that province with regard to whether or not they wish to have a member on the committee or to make representations in some other way. But in any event it will be the provinces that will name their representatives to the committee. It will be chaired either by someone from the Department of Transport or perhaps even from the Department of Regional Economic Expansion. In any event there will be federal representation on it to the extent that this appears to be required.

I gather that the hon. member was talking about trucking firms operating within a single province or the select territory. At present they, of course, are not receiving a subsidy. What will happen is that this committee will be empowered and is being asked to study what trucking agencies, what modes of transport, and what kinds of commodities ought to be considered for subsidy.

The hon. member, being from my own province, will know that a very significant amount of pulpwood and the like is today carried by truck. Is it a practical thing for the

large paper companies to receive a subsidy? Many of us are inclined to think that perhaps it is not. This is the kind of thing that the committee will consider. This is why we are providing this rather than a blanket subsidy which would simply become a cream-skimming operation for certain operators. This will be on a selective basis, and I am sure the committee will hear representations from truckers on whether they should be included.

I am aware of the hon. member's problem and deep concern with regard to the port of Botwood and the matter of subsidizing freight into the province of Newfoundland. In the statement I made on Tuesday I indicated that we were in fact arranging for subsidies of very considerable magnitude for shipments from Montreal to Corner Brook and St. John's, and that these are two ports to which a very considerable amount of support is being provided.

This whole issue would take considerably more time than I have at my disposal today to go into in detail. The whole issue of whether or not we maintain individual ports because of the employment problems that exist there, or whether the rationalization of a freight and transportation policy requires that we do the logical thing, is one about which I suspect there will continue to be a great deal of argument. In the case of Botwood I am told, and I have every reason to believe this, that the shipper was not particularly interested in continuing into Botwood whether there was a subsidy or not. In other words, there was no considerable enthusiasm on his part. He was losing money on the operation and the subsidy per ton was very high.

In any event, it is our judgment that with the provision of very significant improvements in docking facilities at Corner Brook, and with very large harbour development at St. John's, which the hon. member for St. John's East had a considerable amount to do with, these two ports still appear to be the most logical points through which to funnel this kind of ocean freight into Newfoundland, particularly if one is concerned primarily about the cost of living. There is a dichotomy here, and I appreciate that this is a very difficult problem to resolve, because whenever something is moved from one port to another there is a vacuum at the first port, which in the first place may have had a smaller volume of traffic.

In summary, Mr. Chairman, these water subsidies have been considerably increased