

Fredericton. If you are flying at 8.40 a.m. from Fredericton to Ottawa, probably you will not have too much difficulty getting the flight from Fredericton to Montreal, and incidentally, this is one of the two flights in the Atlantic provinces where you are served an excellent meal. You then may be fortunate enough to catch the connecting Air Canada flight 167 from Montreal to Ottawa. One of our colleagues joined about six other people who could not get seats on the plane on one occasion, and this flight was already booked on two other occasions when I tried to make the connection. The alternative is to wait in Montreal for three and one half hours for the next flight.

Before I suggest that air transportation can be improved in the maritime provinces, I have to tell the House that it is our best mode of transportation available at this point in time. The problem is that we do not have enough direct flights within the maritimes and between points in the maritimes and points in central Canada and northern parts of the United States. We do not have these flights because we do not have enough volume of trade to make them pay. Even with the large subsidies which are paid to air carriers we still have difficulty in providing the numbers that are needed to make it a good, efficient operation.

Now, the sad fact is that we are never going to have the numbers or the trade unless we first have the service, and therein lies the key to our basic problem in transportation in the Atlantic provinces. A high quality air cargo service is absolutely essential if Atlantic Canada is to develop a good industrial and commercial base. In this regard some of the larger firms in the Atlantic provinces have purchased their own planes.

Rail passenger service and, to a degree, rail freight has not really been given a good chance in the Atlantic provinces because the railways have allowed their rail beds to deteriorate to the point where trains move very slowly and the equipment they use, particularly in respect to passenger service, is generally 25 years of age or older. Depending heavily on the United States for reefer cars which the railways rent or buy, our potato industry has been affected detrimentally by the shortage of equipment.

The gateway to commerce in the maritimes is the deep water ports of Halifax and Saint John which, because of their advantageous geographic position, can become arteries of commerce in an expanding trade environment if the ports are properly equipped with modern facilities. Improved terminal storage and handling facilities are badly needed in the Atlantic provinces.

Highways in the Atlantic provinces are the principal arteries of commerce and they are carefully preserved by our highway departments. Highway weight restrictions are essential in the spring to preserve the roads for use during the balance of the year. This means, of course, that truckers have to operate with limited loads and therefore make more runs to achieve the same volume of traffic, which adds considerably to the cost of transporting goods.

Maritime Transport

The economy can be stimulated by an improved highway network. Four lane highways can be built in many instances on existing rights of way, and with two lanes going in each direction turn and elevation gradients require less expense to permit safe passage than is the case with single lane roads. This significant saving would go a long way toward paying for the additional pavement.

These more modern highways are not as much in evidence in the maritimes as they should be because without federal aid our provincial governments have not the funds to build them. In New Brunswick, for example, I feel the federal government should participate financially in a ring road around Fredericton, the new highway bridge across the river at Fredericton and a four lane highway connecting Fredericton, the capital city, with the port of Saint John.

When approached with such concepts, the federal government is only too quick to suggest that current traffic needs do not warrant such expenditures. New Brunswick's five year highway and bridge program which contained such a concept was discouraged by this government only two years ago. The point I am making is that the traffic will never warrant such highways unless the highways are built to stimulate development and thus develop the population that would warrant the highways.

Despite all the subsidies, freight rates remain too high because they are too high to begin with. We had a good example of this before the Standing Committee on Transport and Communications on May 31 of last year in reference to our very important New Brunswick forest products. A comparison was made between the rates in New Brunswick and in British Columbia, and on raw wood products we found that rates in New Brunswick were 60 per cent higher.

Many people in the potato industry in New Brunswick find that the contemplated freight rate increases of 20 per cent and 12 per cent scheduled to be implemented during the next few months would put producers close to having their profit margins cut to the point where they would go out of business.

The concerted attack on about four occasions over the last few years on the "at and east" rates which make possible the shipment of export grain and flour through the Atlantic ports, if successful, would mean that the ports of Halifax and Saint John would be about the only ones in the country not receiving subsidies for export grain shipments. Indeed it would be ball game over in the maritimes for almost all shippers of products if the user-pay concept were adopted.

There is a general suspicion that the railways who are masters at the rates game charge whatever the traffic will bear, and with the limited competition and long distance from markets the maritime captives of the railways would find their future intolerable.

Some essential changes are absolutely necessary if the Atlantic provinces are to move into parity with the rest of Canada. The first big change is right at the top of the Department of Transport. The Department of Transport is so massive and in such a mess that most of its time is consumed