

*Atlantic Regional Freight Assistance Act*

do not think this party will have any difficulty in agreeing to that aspect of the bill.

I am concerned about the minister's statement regarding that part of the bill which provides that a subsidy shall be granted to common carriers as defined in the bill. My concern is that the carriers, be they rail lines or truck lines, are not always too concerned about passing on the subsidy they receive to the people who most need relief, that is, the manufacturers and consumers.

• (12 noon)

In the Transportation Committee report which will be tabled this afternoon it is suggested that the carriers be phased out gradually as the recipients of these payments and that instead the shippers be awarded whatever subsidy or freight advantage is given on a particular product, because the purpose of the Maritime Freight Rates Act was to assist the shipper and not necessarily the carrier. It is all very well to subsidize the transportation industry if it in fact does the job it is supposed to do, to assist the producers and consumers in that area to be more competitive in the markets of central Canada.

The rationale behind this assistance is that it will ultimately lead to the development of industries in the area which, because of its geographical situation, is at a disadvantage. This, however, is negated if the carriers gobble up the subsidy and do not in fact pass it on to the shippers. So in the Transportation Committee report it has been stated that, where feasible, the award of the subsidy should not go to the carriers but rather should be paid directly to the shippers so that in turn the price of goods shipped to central Canada can be lowered.

One concern that I share with the hon. member for Halifax-East Hants (Mr. McCleave) is his reservation about the way in which the Governor in Council can gradually phase out assistance on specific commodities. I believe this power is contained in clause 5. I do not think there is anything wrong with the intent behind it but the manner in which it is to be done may be open to some criticism because, as was suggested earlier, parliament will have no control over this matter once the authority is granted.

I do not think there is anything wrong with phasing out assistance on specific commodities. The subsidies are paid because a particular industry or a particular commodity is not competitive or economically viable, but subsidies, useful at the time they are given, tend

[Mr. Rose.]

to be perpetuated. We know of all kinds of subsidies that have been given but very few that have been phased out. They are always welcomed with open arms when they are granted because they fill a particular need, but then they persist long after the need has gone. I do not think we can criticize the investigation of a particular industry or of its commodity to see whether or not the continuation of a subsidy is really justified. I do not think we can quarrel with that aspect or the rationale behind it. However, we can quarrel with the lack of parliamentary control over the administration of this matter.

We have been told that this is an interim measure but, except for certain clauses, I cannot see any expiry date. I hope we are going to have very comprehensive transport legislation. However, I am not certain that we can actually divorce transportation from all the other factors which operate in this region to make it one of economic disparity meaning high unemployment and low income. Transportation is only one of the problems, and if we patch up transportation in isolation from all the other problems that together make this region disadvantaged we are not looking at the whole matter from a comprehensive point of view. Perhaps it might be worth while to look at transportation as it fits into the whole milieu of economic development.

So in general we are pleased that this is an interim measure. I hope that Bill C-207 is only interim legislation and that we are not perpetuating something with which we may be stuck because of delay in implementing a comprehensive plan of transportation and regional development. We might have this legislation with us a good deal longer than we anticipate at this time because things like this have a way of being delayed. An interim measure is not always interim, just as an interim subsidy is not always interim. We believe that subsidies should be selective. They should be used when they are needed and they should be phased out when they are no longer necessary.

The fact that the trucking companies are going to receive transportation assistance is only fair provided, of course, that all the trucking interests are not owned by the same interests that own the railways, the C.P.R. and the C.N.R., and that the trucking assistance is not just used as an excuse to phase out more rail lines. If it is for the benefit of the region we have no quarrel with it. If, on the other hand, it simply enables the railways to escape their responsibility after