

*Transportation*

wanting to know, for example, between Toronto and which city, Saint John or Halifax, the compensatory rates have been based. If they were based upon the port of Saint John, then the subsidies must have been quite expensive to move goods to the port of Halifax. If, on the other hand, the rates were based on the port of Halifax, then the railways must have made themselves a small fortune on the movement of goods to the port of Saint John.

This is not a factor but rather a symptom in respect of the cause of the concern and unrest in the minds of the shippers. I have always been dissatisfied with our position under the Maritime Freight Rates Act. Indeed it has deteriorated; it is not the best in the world. As a matter of fact it is one of the worst, but what is worse would be to let this legislation in its present form go through. As I have suggested it will throw out planning; it will lead to further erosion in the port of Halifax and indeed in Saint John and all the other areas east of the river ports.

● (7:30 p.m.)

We have heard a great deal lately about what has been done regarding the so-called lag in the development of the economy of the Atlantic provinces in contrast with the rest of the country. The present consensus would appear to indicate that while our primary industries will become more efficient and productive they will not employ a greater number of people, and that consequently our greatest hope for employing and retaining the substantial majority of people growing up, being educated and establishing businesses in the Atlantic region today lies in those means which will lead to a satisfactory atmosphere of expansion and development of secondary manufacturing industry.

The cost of transportation to and from central Canada is the principal reason secondary manufacturing industry in the Atlantic region has not developed at the same rate as elsewhere. So long as this country and its trade tariff policies remain constituted as they are—and I doubt if there is anybody who could seriously argue with this—the cost of transportation will persist as a major economic problem to Halifax and the Atlantic region. Indeed, I suppose this could be said to be the major problem in the port of Halifax.

When navigation on the St. Lawrence, the St. Lawrence seaway and over other transportation developments which have taken place in other regions of the country, hold no

[Mr. Forrestell.]

threat whatsoever to our export-import traffic, and if the principle of port parity can again be effectively incorporated in railway freight rates over land haul from eastern ports to central Canada, there will be an improvement.

The Maritime Freight Rates Act, as the minister knows, has no application to this type of traffic. We are freezing the Maritime Freight Rates Act, but we are not doing anything about this traffic. Indeed, it might be useful if the minister found an occasion to define clearly what are year-round ports, and if he were to bring back the principle of parity, declaring the port of Montreal and ports on the lower river, and coast to be equal. I am sure at that time the minister will find many friends in the Atlantic provinces, myself numbered among them.

The MacPherson royal commission called the Atlantic region an area of significant monopoly, and I have presented figures from the transport committee hearings of last year to substantiate that suggestion. One of the results has been a greater implementation here in the Atlantic region than in other parts of Canada of the several horizontal freight rate increases authorized during the 13 years immediately following the last war. One must consider that transportation has been and probably will be for many years much more intensively competitive in other parts of Canada.

It is difficult to believe that this development did not in some way have an adverse affect on the objectives of the Maritime Freight Rates Act. No government study so far appears to have considered this factor. It has been entirely overlooked. It is also difficult to believe that the objectives of the Maritime Freight Rates Act and the national policy it purports to implement do not require some revision, having regard to all that has taken place since they were originally conceived in 1947. No government study appears to have been made in this field.

It is true that extensive studies were made by the maritime transport commission prior to presentations being submitted to the MacPherson royal commission; but apart from the amendment to the Maritime Freight Rates Act in 1957 there appears to be little or no evidence that this excellent work received any attention at all, let alone the attention it merited.

Without reviewing it too extensively, the national policy for the Atlantic region, as