

Supply—Transport

surrounding area and a great deal of the remainder was transported to coastal communities in small coastal vessels and privately owned schooners. Only a small part of this merchandise was carried westward overland by rail. The Newfoundland Railway was built mainly for passenger service and to handle only a small fraction of our imports and national trade. Newfoundland is today Canada's third largest customer. The province purchases about \$300 million worth of merchandise yearly from the mainland, mostly from central Canada. Since 1949 the old trading pattern has been reversed. Confederation made Newfoundland a captive market and the bulk of the goods now entering Newfoundland comes from mainland Canada. The western terminal of the Canadian National Railways is at Port aux Basques but very little of the freight remains there. Most of it is loaded on the Newfoundland Railway and the greater part is transported across the 547 mile stretch of railroad to the eastern terminal at St. John's. The population of Newfoundland has grown until it is now around the half million mark and it is about three times larger than it was when the railway was built. This growth in population has in itself increased the amount of freight to be handled.

The Newfoundland Railway was built to meet conditions which existed prior to Newfoundland becoming a part of Canada. The C.N.R. has renovated the Newfoundland Railway and tried to modernize it in the hope of enabling it to carry the additional load which is now about ten times as great as when the railway was built. The plain fact is that this cannot be done satisfactorily and money spent in this way is not being spent to the best advantage having regard to the future requirements of our people and the quality of service which they have a right to expect. What is needed is a completely new system of rail transportation. This should include the replacement of the present antiquated system by a system of standard gauge the same as is provided for every other province in Canada. The Prime Minister said in 1957 when he was in St. John's that he favoured a standard gauge railway for Newfoundland, according to a report in the *Toronto Globe and Mail* of April 16. I should like to quote the statement made at that time by the Prime Minister, reported in the *Toronto Globe and Mail* of April 16, 1957, as follows:

Newfoundland's narrow gauge railway should be converted to the standard gauge because the present line retards development, adds to the cost of transportation and therefore makes it more difficult for Newfoundland industries to compete in domestic mainland markets on the same basis as other provinces.

[Mr. Tucker.]

Those were very true words on the part of the Prime Minister. They have not been denied, and I should suggest that if he meant what he said, surely the time has long since passed when definite action should have been taken. I am sure the residents of the province of Newfoundland would appreciate a statement from the Minister of Transport in this regard.

Last Friday the Minister of Transport made a statement regarding government policy in respect of the Canadian shipbuilding industry, and said that subsidies of 40 per cent of the cost of building Canadian ships in Canada, other than fishing vessels, would be paid. This subsidy would be continued for three years, to March 31, 1962, and then reduced to 35 per cent of the cost. He also stated that a capital subsidy of 50 per cent of the construction cost would be paid in respect of steel hull trawlers, with special assistance of \$250 per ton to be paid toward the cost of wooden fishing vessels over 45 feet in length. We in Newfoundland should like to see a subsidy paid in respect of boats 35 feet in length and over, and I would appeal to the minister to give consideration to this suggestion.

In 1958, 37,841 passengers were taken between the mainland and Port aux Basques. In 1959, there were 58,434 passengers carried on this same trip and in 1960 there were 62,011 passengers carried. In other words there was an increase of 24,170 in the number of passengers carried between 1958 and 1960 on this route.

In 1960 there were 11,652 passenger automobiles carried, which was an increase of more than 3,600 over the number carried in 1959. Approximately 300 more autos were handled last year under the freight plan than during the previous year. I suggest it follows naturally that many of the passengers in these cars motored to St. John's, the capital of Newfoundland, and I further suggest this points out the urgent need for additional freight and passenger service between the mainland and the east coast of Newfoundland. This subject was mentioned this afternoon by the hon. member for St. John's East, and I offer my support of his suggestions in that regard.

At the present time, the Department of Public Works is improving the harbour facilities at St. John's, and I would suggest that a passenger, passenger car and freight ferry service could be established there without any additional cost for landing facilities. It is my opinion that this ferry service should operate from St. John's to Halifax because of the tremendous benefit to be derived therefrom, in that tourists would certainly take advantage of such a service. I understand the