

Mr. DICKSON: You are quite right in raising the question there, Mr. Stewart. We have apparently not made clear what appendix 1 is attempting to illustrate. Certainly very little traffic today moves at class rates. Class rates do serve as the maximum or as a guide for other rates. Class rates are the maximum and so they do tend to set the pace, if you wish, for other rates.

It is impossible to give you a graphic picture of other rates because they are not "fixed"—and I use the word "fixed" advisedly there. They do not have the maximum relationship that the class rates have. As I say, class rates are the maximum, and others tend to congregate under them.

I would suggest that if traffic had continued to move at class rates, as it did at the time with which this appendix deals back in the early part of the century, then the distortion that has taken place in the relative position of the maritimes versus the rest of Canada would probably not have happened. The relationship of the class rates, maritimes versus Ontario and Quebec, has not deteriorated to any degree.

Appendix 5 deals with the current class rate from Berwick, Nova Scotia, to Ottawa, Ontario, which is 226 cents per 100 pounds. This is class 100, the first class rate. That would not be a carload rate, but it is a key rate. The rate is \$2.26. The class 100 rate from Thornbury to Ottawa is \$2.44. Ours is a little under, as you will note. The agreed charge rate from Thornbury is only 42½ cents, or 17 per cent of class 100, whereas our agreed charge rate from Berwick is 35 per cent.

If we had stayed on the class rate level we would not perhaps have the problem indicated in that particular appendix.

The ACTING CHAIRMAN: Mr. Granger.

Mr. GRANGER: There are just one or two questions I would like to ask which are relative to the steamship service.

The coastal service operated by C.N.R. operates, as you know, in some areas of the province where there is no other competition. They serve a captive market. One area would be one side of the Great Northern Peninsula of Newfoundland and the coast of Labrador.

How are the rates established there? Do they come under the Maritime Freight Rates Act? What is the criterion for arriving at "X" charge for a specific movement?

Mr. DICKSON: To attempt to answer Mr. Granger's question I would say that the Newfoundland coastal steamship service, as I understand it, is operated by C.N.R. for the government of Canada. The rates on that coastal service are not reduced by the Maritime Freight Rates Act. The Maritime Freight Rates Act applies to rail shipments.

Control over those rates moving between coastal points in Newfoundland rests, as I understand it, with the Canadian Maritime Commission, a federal agency of the Department of Transport.

The ACTING CHAIRMAN: Is that all, Mr. Granger? Mr. Cowan.

Mr. COWAN: Madam Chairman, the members of the Maritimes Commission will realize that what is being said here today is being taken down and printed.

I want to ask a specific question. I am from central Canada, from Toronto. We find it rather interesting that Montreal is considered to be a great lakes port—though for how much longer I do not know!

If you have a copy of Bill No. C-120 before you I would like you to look at page 20, section 329A. You will find there, for the first time, Montreal is classified as an Atlantic port, along with Halifax, Saint John and West Saint John. Are you satisfied to have Montreal, which is a great lakes port and sometimes considered as a St. Lawrence river port, considered now as a maritime or