

*CNR and Air Canada*

it would appear that Canada and the CNR would have been better off by hundreds of millions of dollars if a start had been made with companies which had gone broke. Instead, we bailed them out and we have been paying ever since. Regardless of past history, a thorough review of the CNR capital structure is in order and should be carried out. We should consider that question in conjunction with our consideration of this bill. When the bill goes to committee I hope this will be one of the items to receive a great deal of consideration and discussion.

The leader of my group spoke about the need for an integrated transportation policy that would take into account all four major means of transport—air, rail, road and water. This is a necessity in any modern, industrialized nation. Canada has a long way to go in this regard but seems reluctant about approaching the problem. There is no doubt that a modern, efficient and integrated transport system is one of the main requirements of a modern, industrialized nation if that nation is to meet the many challenges from its competitors throughout the world. The quick, cheap and effective delivery of raw materials or goods is of prime importance in the world of today.

I feel, Mr. Speaker, that a modern and efficient transportation system can also be a major factor in the unity of our country. It is necessary that raw materials, finished products and people have quick and cheap access to every part of our nation. We talk about trying to eliminate regional disparities in Canada, yet we have set up programs to deal with disparities on a piecemeal basis. At the same time we find that this government has done nothing to eliminate the rank discrimination which exists throughout Canada in relation to freight rates.

**Some hon. Members:** Hear, hear!

**Mr. Harding:** This problem alone is the cause of great friction and hardship in some parts of Canada, including British Columbia. I feel that one of the greatest unifying moves we could make in Canada would be the bringing about of equalization of freight rates in our country. For too long successive governments have allowed this problem to remain dormant.

• (2050)

I would like to deal briefly with my home province of British Columbia. For the most part, the freight rate structure has been rank discrimination as far as we are concerned. The tendency has been to force trade north and south rather than to the east. This is to be deplored. A proper freight rate structure years ago along with adequate government policies, of course, could and would have helped build a different economic approach to that which has been developed in our nation. Nevertheless, the unfair freight rate structure is still with us. I hope this Parliament will be in a position to make sure that this is changed. I hope it will be one of the priorities of any national transportation policy.

This afternoon I listened to a number of speakers from various parties dealing with freight rate problems concerning their areas. The story is the same. It does not matter where you go; in the eastern and western parts of Canada this is one of the major problems facing the

provinces. I will use the maritime provinces as an example. All you have to do is look at the unemployment figures which today were made public. The maritime provinces have one of the highest rates of unemployment in Canada, just over 11 per cent. At one time there were a number of industries in the Maritimes which do not exist today. They were able to ship their goods to other parts of Canada. However, discriminatory freight rates have effectively barred them from the best market for Canadian industries, our home market. There are 22 million people in Canada, yet discriminatory freight rates have forced a number of industries out of business by barring them from this market. The same applies in the western provinces.

As I said earlier, I regret that the equalization of freight rates has not been tackled by the present administration. This is something we need. It would help to bring unity to Canada. I mentioned the need for a national transportation policy. The government will say we have a national transportation policy, and this is so,—but it is a national policy to a rather minor degree. There are one or two things which a national transportation policy should include. A policy of this nature should include the moving of Canadian goods and raw materials over Canadian transportation systems. I raise this matter because last year we had in Ottawa a hearing before the Canadian Transport Commission. This was brought about by the Kootenay and Elk Railway Company in British Columbia which wishes to build a spurline from the American border to the coal fields in the East Kootenays with a view to shipping a large portion of the coal currently being mined in that area south over the Burlington Northern railway lines to the Pacific coast. The Canadian Transport Commission rejected the application by the Kootenay and Elk Railway. At present this matter is before the Supreme Court of Canada. It is my understanding that if the Kootenay and Elk Railway Company had applied to become a common carrier, it might well have been granted permission to build this link to the American border and hook up with the Burlington Northern. Away would go many hundreds of jobs for Canadian railway men and many millions of dollars of revenue for our country.

I would like the Minister of Transport (Mr. Jamieson) to make a statement in the House that we are not going to allow Canadian goods to be carried over foreign transportation lines when we have our own communication lines. The provinces of British Columbia and Alberta are very anxious to see railway links built to hook up with American railway lines. I have no objection to some kind of link if the normal interchange of goods must take place, but the day we allow such railway links to be built with a view to transporting our raw materials or finished products, when they should and could be going over Canadian lines, we will be doing something completely wrong.

As far as rates are concerned we have a public utilities body in the federal field, the Canadian Transport Commission. If rates are out of hand, let the commission pull Canadian Pacific or Canadian National into line. Under no circumstances must we allow another phase of our economy to get into the hands of foreign-controlled transportation companies. We have lost enough, Mr. Speaker. We have lost control of a great portion of the Canadian economy. It is time for the Minister of Transport to get up