has got itself in a real box in terms of international payments and is trying to earn foreign exchange in any way possible? How can we compete without massive subsidies from the public purse? I often wonder why this has not been said in any of the dialogue pertaining to this bill that is thrust upon us. The United States now has to subsidize the use of United States bottoms for the movement of goods throughout the world. When members of the Transport Committee were in Seattle we spoke to the U.S. officials on this subject. This subsidy is justified by way of a military need for ocean transport in the event of war. It is extremely hard to compete with the type of rates the Russians offer in the ocean movement of commodities.

● (2040)

Before the turn of the century one of our greatest wants will be capital. With the right work attitude, the right national attitude, and the right community attitude we could generate that capital. However, we keep killing our chances of national self-determination. Our desire for national ownership of everything has absolutely got our priorities all out of whack.

Clauses 8 to 14 serve Great Lakes interests and are impositions on the coastal maritime provinces and the industrial interests of our maritime provinces.

The two points I want to make—and I will repeat them—are that our priorities for coastal regions on the use of much needed capital are mixed up with a bill written for Great Lakes interests, and that the continuing man-year benefits for Canadians are just not there, because of uncompetitive wage costs and because of a lack of desire to serve on the high seas.

I listened with attention to the hon. member for New Westminster (Mr. Leggatt). He was saying that there is work for 44,000 people, and I have read elsewhere in the debates that we could have 175 ships on the high seas carrying Canadian goods. However, I see nothing but an increase in the cost of carrying those goods, and those costs will have to be borne either by the regions producing those goods and trying to market them in the world or by the Canadian treasury, and that means spreading it across the country.

I suggest that if we were to get back on the track with regard to the tremendous need for capital, we in Canada, between now and the end of the century, have to do more saving and more work, particularly with regard to energy from the north, for future generations. We must rebuild and modernize our transportation system, and in some areas the transportation system will have to be electrified. We should not be applying our much needed energy and tax resources to this area where there is world surplus and where there are labour forces in the world. In no way, shape or form can we compete with the end costs.

We can only add to the burden of those people responsible for the production and delivery of goods. In the Beaufort Sea we will have a need for underwater silos. We will have a need for a pipeline. These are the areas in which our dollars can be well spent.

I repeat what I said in my opening statement that national policies aimed at developing a merchant marine and shipbuilding industry should be kept separate from a

[Mr. Huntington.]

policy governing the transportation of goods. We cannot fight inflation—

An hon. Member: On the backs of barnacles.

Mr. Huntington: On the backs of barnacles. Thank you very much.

We cannot fight inflation when we start to spend our dollars in a way which will create a burden for the future generations of this country. Why not spend our dollars where a benefit can be derived? Let us put money into the treasury and not keep taking it out.

We have heard from the NDP today to the effect that there is no cost-benefit study in terms of dollars and man-years on this subject. We have heard that there are 44,000 man-years of work to be created. I would like to know where these studies are and where these figures come from, because the straight logistics do not make any sense.

In view of the fact that the B.C. Council of Forest Industries, along with others from the west coast, have not had an opportunity to present their briefs and thoughts to the committee, I would like to put on the record their concerns with regard to Bill C-61. Their concerns apply to the inter-coastal trade, and they state that what causes significant damage to the forest products industry of British Columbia adds inflationary pressures to the eastern Canadian consumers of B.C. products, and adds to the cost of eastern manufactured goods consumed in British Columbia.

The Council further states that access to non Canadian vessels on a duty free basis for use in intercoastal service is an important factor in maintaining a well balanced and economic domestic transportation system. To a significant degree Canadian rail freight rates to eastern Canada are based on the availability of the competitive alternative, shipping via the Panama Canal on foreign flag vessels. Current rates for shipping via the Panama Canal on Canadian vessels are more than double the rates for foreign flag vessels. We have just recently seen an example of that in the movement of western coal into Hamilton for steel and hydro purposes.

The concern of the B.C. Council of Forest Industries is exemplified by the fact that, over the last five years, lack of water competition has seen rail rates applicable to lumber and plywood to eastern Canada more than double, with particularly sharp increases in 1974, which reflect the conviction of the railways that water competition for this business is not a factor.

In 1971 there was a 7.2 per cent increase in rail rates; in 1972 a 6.7 per cent increase; in 1973 a 6.6 per cent increase; in 1974 a 19.9 per cent increase, and in 1975 a whopping 22.2 per cent increase in rail freight rates for getting B.C. products to eastern Canadian markets. The effect of Bill C-61 would be to double the rail rates in the next five year period. It would eliminate British Columbia producers from the eastern Canadian market. The producers out in British Columbia would be replaced by producers in the United States southern pine producing territory who in 1975 double their shipments to eastern Canada over those of 1974, and by U.S. plywood producers who now enjoy in excess of 25 per cent of the Canadian plywood market.