

CNR and Air Canada

During the weekend I held the most recent of many discussions with officials of the CNR with a view to improving the existing rail route still further. There are grades and curves which it may be possible to eliminate, and I have asked for detailed costs and other estimates. As for rail passenger service, I want to repeat what I said a few days ago to the representatives of the national rail unions when they met with me here in Ottawa. The evidence is growing that the future of rail passenger travel depends to a large extent on new technology. Experience in Canada and in the United States has shown that conventional rail travel cannot compete with other modes over long distances and through sparsely populated areas. This is why the Ministry of Transport and the CTC, at my direction, have stepped up their research in this important field.

We have produced the first comprehensive assessment of a transportation corridor concept between Windsor, Ontario and Quebec City. We are examining very carefully new methods and designs for surface transport. A commuter study for the area of metropolitan Toronto, involving all levels of government, will be completed in May or June. All of this work and much more, some of it centered in our universities, as well as our agreement which I was happy to negotiate to share research information with the United States, will, I am sure, lead to a great deal of improvement and innovation in the years ahead. It is by no means inconceivable that out of this combination of research and testing will come ideas and new designs which will make wholly new and more rapid and comfortable means of rail travel possible in many parts of Canada, including Newfoundland.

I turn, now, to air transportation. The Premiers' report called for a redefinition of air transportation policy in order to permit a redistribution of air routes between trunk and regional carriers and suggested compensation for carriers servicing uneconomic parts of the network. It proposed federal aid to the regional carrier to enable it to re-equip its fleet and upgrade its airport facilities and navigational equipment.

Air Canada has already initiated talks at the regional carrier level with a view to a redistribution of some routes. Goose Bay has been transferred from Air Canada to EPA. EPA received a total of \$1.3 million in subsidies during 1970. My department has a five year plan for improving its airports and equipping them with appropriate navigational aids. Much of this work has already been done. At St. John's, Newfoundland, although we encountered some unanticipated technical problems, the instrument landing system for one of the main runways is operating satisfactorily and a second system on another runway will be operating later this year.

Incidentally, and this will be of special interest to hon. members on the other side who understand the technicalities involved—I am thinking, in particular, of the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—the region's engineers are working to establish this facility to what are known as category two standards, that is, visibility, 100 feet altitude, one-quarter mile horizontal. If this effort is successful it will help to cut down significantly on the degree of interference by bad weather with airport operations. I see the hon. member for Hillsborough (Mr.

Macquarrie) is here today. I should like to advise him there will be a substantial upgrading of Charlottetown Airport this year involving something like half a million dollars or more.

Under the heading, ports, nothing specific was called for in the Premiers' report but reference was made to the need for joint consultations, studies and financial arrangements between provincial and federal governments to take advantage of opportunities offered by technological change. A number of such consultations and studies have been going on, particularly with regard to Saint John and Halifax where much actual consultation has already taken place. Establishment of the National Ports Council and of local port authorities in National Harbours Board harbours is a significant response to this item.

Reference was made in the report to the need for additional capacity on the Wood Island-Caribou ferry service and a request was made for lower truck rates on P.E.I. ferries. A new vessel is under construction for the Wood Island service, and in the fall of 1970 truck rates on P.E.I. ferries, as well as on Newfoundland ferries, were reduced. Two new vessels, the *Holiday Island* and *Vacationland*, were introduced to the Borden-Tormentine service last year providing much improved capacity. The report also called for an acceptable fare structure on the Digby-Saint John ferry service. Indications are that the level of service and rate structure presently provided have been well received, and this is confirmed in the second report of the Federal-Provincial committee.

The section under the heading, water, suggests a need for a broader examination of coastal services and for further studies of ocean services and rates.

• (1550)

The Darling report has subsequently been prepared and is currently under study with, I may say, many differing points of view being presented in response to my invitation.

With regard to transportation research and organizations, comments here concerned primarily the need for work to be done by the provinces themselves.

With regard to freight rate freeze, it was suggested that this be maintained until the new regional policy was effected; however, the freeze was lifted in 1969 for reasons I have explained and which I believe are very valid.

With regard to rail rate increases since 1969, I want to point out that the freeze on freight rates which began in 1959 with the Freight Rates Reduction Act was continued in the Atlantic provinces for 30 months longer than elsewhere in Canada. This means that there has been a lag in applying increases in the Atlantic provinces and while the lag has been reduced to some extent, it does not now appear that it will be entirely eliminated. In addition, the Maritime Freight Rates Act keeps rail rates in the select territory and on outbound movements to other points in Canada below the levels that would otherwise apply. When compared with similar rates elsewhere in Canada, therefore, Atlantic province rates still remain below the national average by a sizeable amount.