

and which I now say we will do, is to have the committee find an effective means of assisting transportation in the Labrador area of the province of Newfoundland and within the Atlantic provinces. For these reasons I cannot accept this amendment.

**Mr. Skoberg:** Mr. Chairman, I believe I put forward our position a short while ago. I believe we find ourselves supporting the minister's position on this proposed amendment. Today in the house it was agreed that the Standing Committee on Transportation would continue its tour, which no doubt will include Labrador. At the same time, the minister has suggested Labrador should receive consideration for assistance and that the federal-provincial committee no doubt will be looking into this. What bothers me is that the committee may go on a junket to Labrador, come back and then make a recommendation for assistance which would be of little value. I am sure all members of my party would like to support this amendment, but unfortunately the large iron ore companies would be the only real beneficiaries. I am very sincere when I say there must be some assistance given to the people of Labrador in respect of transportation in this area, but I do not think this amendment will accomplish that objective.

I suggest we must look for other means. I hope the minister is sincere when he states he will see that action is taken in respect of Labrador as soon as possible, and that some legislation will be brought forward to benefit the people of that area. I do not think the way to do it, however, is by helping the great iron ore works to the detriment of the people who should benefit.

[Translation]

**Mr. Bernard Dumont (Frontenac):** Mr. Speaker, I quite agree with the minister concerning grants.

This amendment would provide for a grant to be paid to Labrador which would help in the first place the company that serves Schefferville, which is owned by American interests. But the greatest danger involved in passing this amendment is that the province of Quebec has never recognized that Labrador belongs to Newfoundland. That is why we object to this amendment, because we are convinced that even if Mr. Smallwood has decided to take up arms to stop the people of Quebec from going to Labrador, we must keep this bill as it is. There is enough disa-

*Atlantic Regional Freight Assistance Act*  
greement in the house without confusing the issues even more.

[English]

**Mr. Nesbitt:** Mr. Chairman, if the amendment proposed by my colleague the hon. member for Grand Falls-White Bay-Labrador were accepted, would it be possible for the minister by regulation to exclude the companies which produce iron ore from any subsidy? Could it be done in that way?

**Mr. Jamieson:** No, Mr. Chairman; it is the precise opposite. If the bill goes through and the federal-provincial committee is empowered to make recommendations, we can look at those industries which do not need this kind of support with a view to the provincial representatives saying we should exclude a particular industry. At this time, the intention is to benefit those people who need the benefit most, and the reverse would be the case if this amendment were to carry now.

● (9:40 p.m.)

It would simply mean that we would have to apply the Maritime Freight Rates Act, and the 30 per cent westbound subsidy would have to apply to the very heavy and enormously costly shipments of iron ore out of Labrador. This is why I said the appropriate means of dealing with this is to have the committee look into it. We could exclude this group by designation, and we could do that under the legislation we are being asked to pass tonight. Without this legislation we cannot do it, and we particularly cannot do it if this amendment were to carry in the way my hon. friend has proposed it.

**The Chairman:** The committee has heard the amendment. Shall the amendment to clause 2 carry?

**Some hon. Members:** Carried.

**The Chairman:** Shall the amendment to clause—

**Some hon. Members:** No.

**The Chairman:** All those in favour of the amendment will please rise.

**An hon. Member:** There was no opposition to the amendment; it was passed.

**Some hon. Members:** Oh, oh.

**The Chairman:** Order, please. All those in favour of the amendment will please rise. All those opposed will please rise.