

*Atlantic Regional Freight Assistance Act*

the transport and distribution of goods within the region which might be substituted for the general assistance now given under M.F.R.A. to ensure that the funds provided by parliament can be used to the best advantage of the region.

The government intends to set up such a joint committee without delay and undertakes not to exercise the power to be given to the Governor in Council to remove or reduce M.F.R.A. subsidies except to the extent that financially equivalent assistance is proposed by the joint committee and accepted by the government. This would be the first task of the joint committee.

In addition to the examination in detail of the M.F.R.A. assistance on rail traffic within the region, the joint committee will be asked to review all the subsidized water transport services into or out of the region, from the rest of Canada, or wholly within the region, except those which are being examined as part of the transportation study set up under the comprehensive rural development plan for the lower St. Lawrence, Gaspé and the Magdalen Islands. The joint committee will review all other subsidized water carrier services and recommend any revisions or improvements in these services which will contribute better to the economy of the region. Meanwhile, in order to ensure a competitive service to the railway from Montreal to Newfoundland the government has decided to ask parliament to provide an interim subsidy to the existing water carrier service between Montreal and Corner Brook and Montreal and St. John's for the season 1969, and thereafter until the two studies are completed.

The joint committee will also be asked to consider whether and to what extent a subsidy on outbound air and waterborne freight from the region might contribute effectively to provide producers in the region with more effective access to the markets of central Canada.

Finally, the joint committee will be asked to examine in detail the economic effect of the outbound assistance under M.F.R.A. to see whether a more selective approach might not provide a more effective use of the funds provided by parliament.

In order to provide the Atlantic region with an economic, efficient and adequate transport system making the best use of all available modes of transport, it has been recognized since 1963 that special federal assistance in

[Mr. Jamieson.]

the upgrading of trunk highways in the Atlantic region is needed, because the provision of an adequate highway system is beyond the financial capacity of the provinces. This approach will be continued by the Department of Regional Economic Expansion.

Once the joint federal-provincial committee has made progress with its work and the joint development plans of the provinces and the Department of Regional Economic Expansion have been formulated, it is planned to bring forward legislation of a more permanent character. I hope that this will make the subvention policy more effective for its purpose of assisting economic development, and one important change in that respect would be to institute a system under which the shipper, rather than the carrier, is assured of the benefit of the subvention. The future legislation will also deal with many particular points of great importance, such as the rates on the ferries to Prince Edward Island and Newfoundland.

Meanwhile, it is hoped that parliament will see fit to deal expeditiously with the new bill. I want to thank hon. members for their concurrence in having it referred to the Committee of the Whole, so that a first step can be taken toward the provision of equal treatment for road and rail traffic in the region and the provision through competition of more efficient and adequate transport services to the public of the Atlantic region.

● (11:50 a.m.)

**Mr. Robert McCleave (Halifax-East Hants):** Mr. Speaker, I think first of all there will be a general disposition to meet the plea of the minister to grant quick passage to this legislation. I believe this can be done more willingly than otherwise would be the case because we anticipate that the broad package will come before us in the fall. This bill, as the minister has said, is an interim measure. I believe that this afternoon the chairman of the Standing Committee on Transport and Communications will be presenting a long document for the consideration of hon. members. This document will set forth a suggested policy for the Atlantic region which I think could fit within the minister's comprehensive legislation in the fall. Anyway, this is devoutly to be hoped.

I should now like to turn to the points presented in the bill. I suppose there are really five principles contained in the bill, and I should like to address myself to a couple of