

These principles were not really rejected by the opposition. Of course, there was opposition but not in respect of the main principles. We said at that time that transportation should work in the same way as other things in other sectors of the economy. We suggested that we should have competition between the railway companies as well as competition between the railways and the trucking industry and between the trucking industry and the shipping industry. We felt in that way we would be sure of getting the best deal possible in this field. I was here at that time and I do not remember hearing any indication of any reservation about this principle. I can tell you now in all honesty from my experience that this fundamental principle is wrong in Canada. It is not entirely wrong but is partially wrong, because if you look at the size of this country and the distribution of its population you will see that you cannot have a transportation network which is economic everywhere; you cannot have an economic system of transportation to service the north, for example, or to service those regions of the country where the population is very thin. You cannot have an economic system for regions which are remote from the centre.

● (1410)

Let us speak about the Maritimes, for instance. If we had laid down this principle at the same time or immediately after we had passed those laws which enable either the department or the CTC to subsidize a certain part of the country, not only the Maritimes but other regions would have suffered. That means that the fundamental principle can apply where there is competition in Canada at this moment, but it will not work in the many places in which there is no competition.

Mr. Stanfield: It was not true in 1967.

Mr. Marchand (Langelier): I agree with the Leader of the Opposition (Mr. Stanfield). I believe we thought this experiment would bring results in all regions but this has not happened. I am sure the CNR does not have competition in certain regions. The same applies to the CPR. Sometimes they agree not to have any competition. The fundamental principle of this act has been distorted by the situation in Canada. This is the reason there are so many complaints. I shall not attempt to say to this House that everything that has been done since I have been in office has been perfect. I shall not attempt to prove that.

An hon. Member: We agree.

Mr. Marchand (Langelier): You agree. I am glad to hear that you agree with something. Sometimes I am pushed around a little in the House by some tricky questions because in the transportation field there can be a lot of difficult situations. I believe I can say I have been lucky. In any event, I think it is correct to say that many good things have been accomplished during this past year and a half I have been in this ministry. I do not say this for myself but on behalf of all the public servants who work hard to solve certain problems, as they did in respect of the problem of the freight rates in the Maritimes. There was an increase from 30 per cent to 50 per cent in the subsidy on westbound traffic. They were successful in working out that formula. I believe everything is just

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about settled now and we will have an agreement on this question very soon.

So, that has been done and it is very important. That does not mean we have solved all the problems of the Maritimes, but it is something we can place on the right side or on the left side of the ledger. I am not an accountant, so I do not know which side is the good side.

An hon. Member: The right side.

Mr. Marchand (Langelier): Then, let us put it on the right side. We dealt with the famous Darling report. For years this problem was never solved, but now it has been solved. We have agreed on a formula which will provide that coastal shipping in Canada will be carried on only by Canadian ships and Canadian crews when they are available. So, if we add that to the restrictions we are placing on shipping in Arctic waters, this means that sooner or later we will have something that will look like a merchant marine in Canada. There are many other reasons to believe this is the direction toward which we are moving. This is something positive which is worthwhile mentioning.

We speak also a great deal today about the Western Economic Opportunities Conference and its effects on the western provinces. I have heard statements to the effect that nothing has happened since the meeting in Calgary six or seven months ago. Well, this is not true. I have met twice with the ministers of transport and I shall meet with them again in Vancouver sometime next week. All these ministers agree that if we are to change the pricing systems of the railways in respect of freight, this cannot be done overnight. A proposal was made by Manitoba and another was made by Alberta. We agreed to have a firm of specialists study these and make recommendations. We all agreed that this study could not be available before the month of May or June. The fact there has been no result yet is because we agreed that there should be this kind of consultation. Now, we hope to have some kind of an answer. We agreed on that.

We are agreeing now on the upgrading of the highways on the Prairies. We agreed to freeze all branch lines. This has been done. I hope we still have agreement with the province of British Columbia concerning the rail and port development in the north of the province. This involves an amount of \$325 million for the development not only of the natural resources of the north but also the port of Prince Rupert. This is something which is there; no one can deny it. There is also the matter of the Clinton-Ashcroft bypass on which we have a clear agreement. Everyone agrees this is good.

A large amount of money is being spent in Calgary for the new airport. This is something new and it is on the right side of the ledger. We have a new international air policy for the international carriers, CP Air and Air Canada. This is new. It is not perfect. However, I know this has really helped both air lines. It will help not only in solving disputes between CP Air and Air Canada but also with the main problem of getting the largest share we can of the international market. This is what we have done. This is a fact. It is something positive. So, we have signed a bilateral air agreement with the United States. Some people may say it is rotten and they do not like it in