

Highways

that millions of dollars have been dumped into that area. I agree that in the period 1964-67 \$66.5 million were provided for highway construction in the area. These were crash programs to try to bring some of these areas up to some sort of standard. It was not a comprehensive policy. In case there is any confusion, I point out that the assistance varied from 50/50 in some cases to 75/25 in others, but not the 90/10 that was later developed to finish the Trans-Canada Highway in areas where the costs of construction were prohibitive.

Our problem in the Atlantic area is the fact that highway construction is very costly because of the small population and rugged terrain. Highway construction in that area has always fallen behind the rest of Canada. We have never had the good, all-weather highways that people in central Canada have been blessed with for many years.

The principles of the National Transportation Act, which are essentially based on the principle of competition to protect regional areas from discriminatory rates, have not worked in our area. There is no effective competition there. The National Transportation Act provides that rail rates must be compensatory. However, the catch is the clause which allows the railway or other carrier to charge whatever rate competition will permit. In an area where there is only limited competition, there is nothing to prevent the carrier in the region from charging what the traffic will bear. This is our problem. This is why ADB, and all the commissions which have studied the area, have identified the lack of suitable transportation as one of the root causes of our economic disparity.

• (5:30 p.m.)

The National Transportation Act as it applies today does little or nothing for our area. Even though we have had \$66.5 million pumped into the area and other money put in by DREE, we still lack an all-weather arterial highway network. The Atlantic Premiers referred many times in their report to the fact that if secondary industries are to be developed in the Atlantic region, and other industries brought up to the potential of industries in the rest of Canada, an adequate highway network that will accommodate other modes of transportation, such as trucking, must be constructed in order to provide competition for the railways. Then we will truly have compensatory rates as envisaged under the National Transportation Act.

In the report referred to by my colleague for Halifax-East Hants, entitled "The Basic Elements of an Atlantic Provinces Transportation Policy" published in March, 1969, the Premiers expressed the view that the limited financial capabilities of the Atlantic provinces necessitate an increase in federal investment in the arterial highway program. They stated that a long-term program was essential to get maximum benefit from available funds—frequent reference is made to this throughout the report—and that the province of Newfoundland and Labrador has special highway requirements within the Atlantic region.

They went on to point out that as a result of these peculiar conditions to which I have referred in the Atlan-

[Mr. Thomas (Moncton).]

tic area and the high cost of building highways, the Atlantic region is entitled to special assistance such as our national transportation policy recognizes is required for other types of transportation. I need mention only briefly the assistance provided primary producers in the west under the Crow's Nest Pass rates, the construction of the St. Lawrence Seaway, which was essentially created and subsidized by the government to enable shippers from western Canada to export and manufacturers in central Canada to import, and subsidizing the construction of the Trans-Canada Highway by the federal government, again a highway built to assist long-range transportation.

In practically all the reports and submissions that have been made it has been contended that the Atlantic provinces are entitled to extra assistance. This is why my colleague's motion asks for an allocation of funds to the extent of 90 per cent by the federal government and 10 per cent by the province concerned. In this connection I should like to put on record the submission of the Atlantic Premiers in regard to an over-all assistance program:

The length of this program should be ten years with the first five years fixed and the balance renegotiated and reconsidered prior to the conclusion of the first five years. The federal share of total costs, including acquisition of right of way, should be 90 per cent for the first five years. Prior to the end of ten years, a further program should be negotiated, if needed.

To avoid a two-year pause in construction while a detailed program is being developed and negotiated, it is recommended that the detailed one-year program contained in the Atlantic provinces submission to the Atlantic Development Board be extended to cover two years—

This is the basis of my submission. I appreciate that funds have been pumped into the Atlantic area, but I maintain and have always been of the opinion that short-range, ad hoc policies are not the answer to our problem. What we require is something along the line envisaged by this motion, namely, a long-range program—such as that suggested by the Atlantic Premiers—which would be the foundation or cornerstone of an Atlantic transportation policy of the sort for which I have been fighting and arguing since I have been a member of this House.

My colleague referred to the Fundy Trail, and I spoke about it two years ago. I am still strongly in favour of the construction of the Fundy Trail. In fact, I think this area is so badly in need of new highways that we should not become too sectional or regional in our approach. Indeed, we should lend our support to the Shubenacadie River crossing, or to route 9 or route 11, to which my hon. friend from Westmorland-Kent made reference. All of these could be embraced within one over-all program. Since I hope my hon. friend from Saint John-Lancaster (Mr. Bell) will have a chance to say something about the Fundy Trail, I will leave that subject to him.

Mr. G. A. Percy Smith (Northumberland-Miramichi): Mr. Speaker, in rising to take part in this debate on the motion moved by the hon. member for Halifax-East Hants (Mr. McCleave), seconded by the hon. member for Moncton (Mr. Thomas), I cannot but commend both of them for requesting additional financial assistance from the federal government for the transportation system mentioned in the motion. The motion reads as follows: