

Rate Structure on Freight on Maritimes

Let me compose myself for a few moments before returning to the main subject. A few days ago an Ontario born vice president of what is, I believe, the oldest business firm in Halifax and one of the oldest business firms in Canada, Mr. E. G. "Ted" Jarvis of William Stairs Son and Morrow Limited, had the following to say in an interview with the reporter for the *Halifax Chronicle-Herald*. I quote from the end of that interview the following statement by Mr. Jarvis:

With the new rates, a merchant must raise his prices, and I think the public should know why.

That is the crux of the question before us this evening. There is a simple answer which can be given to the public why these increases have come into effect. It is that we were given an assurance when the new transport act was passed by parliament and later we were given something else entirely. That is why hon. members have spoken before me and I am sure hon. members will speak after me in this chamber this evening. We were promised that our province would be dealt with separately, but in line with the national transportation policy some time during the current session of parliament. Now, we are confronted with the possibility that small businesses in Atlantic Canada may be driven to the wall, and heaven only knows Atlantic Canada can ill afford that. Some of these small businesses will be driven to the wall by the natural turn of events, but surely this should not happen as a result of an unnatural turn of events. That is why I wish that an issue such as this one could be taken before the people so we could put right what is obviously wrong.

Let me put it in the terms of a small business man, someone who cared enough to spend \$100, \$150 or \$300 to place an ad in the *Chronicle-Herald* of Saturday, September 30, 1967. His name is David Cuperfain. He deals in shoes, a humble but basic need. I think I can tell my hon. friends across the way that politically he is uncommitted. I know because I have talked to him. I would like to have him in my corner. I think that after this he will be in my corner, but at least he has been looking around. He will not do any shopping at the current Liberal prices. Here is what he said:

At the beginning of this month a noose was put around the economic neck of our region which is going to strangle it as sure as the sun is going to rise tomorrow.

The railway companies put into effect a new freight rate which increased the cost of railway freight, in some instances, by up to 400 per cent.

[Mr. McCleave.]

"Impossible" you say. Permit me to demonstrate to you. Our firm received 240 pairs of children's rubber boots, that sell for \$1.99 in our store. Under the old freight rate structure our railway freight bill would have been \$16.00 or over 6 cents per pair; under the new rate we were charged for exactly the same shipment \$57.60 or a whopping 24 cents per pair.

Mr. Speaker, I did my arithmetic and according to my calculations the increase in the rates has caused the cost of these shipments to increase by \$41.60. This represents an increase of somewhere in the neighbourhood of 400 per cent. No wonder there is an outcry in Atlantic Canada about this sort of thing, especially since it came like a bolt from the blue.

● (9:20 p.m.)

Continuing with Mr. Cuperfain, he makes this point:

Under the new freight rate system the railways are required to charge us a so-called uniform rate, but in areas where there is competition from the trucking industry the railways can and will cut those rates to meet the competition. And so, central Canada, with an active and competitive trucking industry, will get a cut in their freight rates by the railways and we in this region will pay much more. Can you see the diabolical arrangement? We, trying to build up our economy by every means possible, will not only be pushed back to a subexistence but we will in effect be subsidizing the freight rates of our affluent cousins in central Canada.

Does that argument sound familiar, Mr. Speaker? It has been repeated over and over again in this chamber for the last 20 or 30 years by a right hon. gentleman who is not with us at the moment but who will be back, and by others. It has been the same message over and over again. When the increases come, they fall on the eastern and western part of Canada because the central part of Canada has at least the built in safety of competition. The result for Atlantic Canada is that the price of our import goods goes up, and the competitive factor we had hoped would encourage our export goods goes down.

The Maritimes Transportation Commission in its "Tips and Topics" for September, 1967, makes a point which I think is a further indictment of the government, the Department of Transport and its minister, or the new set-up that was brought in by the government. The article reads:

The new non-carload tariff which became effective on September 5 was filed with the Board of Transport Commissioners on August 2, 1967.