

Supply—Transport

I would like to ask him why the year 1947 was selected as the year from which to make the review. His statement indicated there will be a study of the average increase in freight rates since 1947. It is well known that from 1927, when the freight rates act came into force, the situation as far as rates in the maritimes are concerned has deteriorated, and I think if a study is to be made of the Maritime Freight Rates Act it should start in 1927 and not in 1947. As a matter of fact in 1946—I think it was 1946 or 1948—a 21 per cent increase in freight rates was made across Canada, and at that time the maritime boards of trade and others doing business in the maritime provinces felt that the 21 per cent increase had practically wiped out all the benefit we had received under the Maritime Freight Rates Act.

Then again I would like to ask the minister to tell us where he obtained his figure of \$2 million as assistance to the maritime provinces in the matter of the freight rates act. He says this represents an increase from 20 per cent to 30 per cent, not in the total benefits under the act but, I suppose, under the act as it applies to freight rates from the western boundaries of the special area to freight going west. I would like to ask the minister why the increase is not applied to the total of the benefits under the freight rates act, including all the eastern maritime provinces?

In the item for the Maritime Freight Rates Act in the 1957-58 estimates there is an amount of \$13,175,000, and with the addition of the \$2 million the amount will be \$15,175,000. That is the estimated amount to be paid next year under the act. The amount of \$2 million is hardly 12 per cent of the benefit we have been receiving under the Maritime Freight Rates Act.

Taking into consideration the deterioration there has been over all the years from 1927 up to the present time, I should like the minister to explain how he estimates that \$2 million is a satisfactory payment by way of benefit and why, instead of going back to 1927 when the Maritime Freight Rates Act came into force, the year 1947 was selected.

I might point out that when the 21 per cent horizontal increase was made throughout Canada in 1948 it was estimated that the maritime provinces would lose \$8 million a year just from that one increase. There have been several increases since that time, so that today the loss in the maritime provinces as far as freight rates are concerned must be reaching anywhere from \$15 million to \$20 million. I want to say to the minister that I consider it very unfair at this time to offer only \$2 million by way of additional benefit

to the maritime provinces. If the government really wants to help the maritime provinces the increase has to be much larger than that.

Any study of the freight rate situation in the maritime provinces today and the conditions under which the industries there are operating will indicate that an increase of \$2 million will not benefit the maritimes in the way they should be helped. I hope this matter will be reconsidered by the minister and the department. Incidentally, the survey that is to be made should have been made years ago, but until it is completed I hope the minister's department and the government will give consideration to making a payment that will be a little more satisfactory and will treat the maritime provinces a little more fairly.

Mr. Harris: Mr. Chairman, I begin by pointing out that this is out of order, that this speech should be made in the budget debate which I began last Thursday.

Mr. Brooks: A lot of speeches have been made today which should have been made at other times.

Mr. Harris: That may well be, but if we start on this I am sure we will merely be repeating what we can say in the budget debate. However, if my hon. friend wishes I will answer what he has said very briefly by pointing out that the study I referred to was a study I had made since 1947. It was not that the study to be made of the transportation system would be confined only to the years back to 1947. If the hon. member will look at the bottom of page 2219 of *Hansard* of March 14 he will find that my words were:

A study of the average increase in freight rates since 1947 . . . shows that an increase in the subvention . . . is justified.

That does not mean that the study to be made will be confined to 1947 and later.

Mr. Brooks: Pardon me, but at page 2220 the minister said:

Before making further proposals, however, we must first of all determine the most essential transportation needs of the region in the light of developments over the last decade or more.

Mr. Harris: That is right.

Mr. Brooks: It is 30 years.

Mr. Harris: That was only a general phrase, and was not intended to limit it to 10 or 15 years or whatever it may be.

Mr. Brooks: I take it there is no limit.

Mr. Harris: There is no limit so far as I know. The nature of the precise study and the persons who will be making it will be announced in due course, I believe, and I need not deal with that. So far as the \$2