

considered in respect of port traffic, and undoubtedly it would be difficult to look at the port traffic without considering rates.

Mr. REGAN: I note in your main submission that at some length you made the point that the topography of the maritime and Newfoundland region is such that the railways are involved in more curves and worse grades than in any other area in Canada. You made the point that this could make rail operation up to eight times as ineffective or more expensive than the operation in a flat straight area. Do you feel there would be an advantage in having portions of those areas rebuilt according to modern railroading techniques, or do you think the topographical disadvantages can be overcome?

Mr. DICKSON: I really could not answer that with any degree of accuracy. I think each would have to be examined on its own merits. This is something I know very little about. As an ordinary layman on that subject, I would think each individual case would have to be examined on its own merits; that is, how much would it cost to change the grade or curve in relation to how much more traffic could be hauled. It would really need an engineer rather than a freight rates expert like me to answer the question.

Mr. LLOYD: In view of the numerous comments and questions put by members from the maritimes, I must be very careful not to be repetitive because of the interest in this problem of other members of the committee from other parts of Canada. I can only sort of synthesize what has been said first by the witnesses and second by the questioners. What these observations really say is that you have a very complex problem if you begin with the proposition that as a policy of confederation the I.C.R. was built and that the competitive position of producers in the Atlantic region must be maintained in bringing their products to the central market. We begin with that proposition and then you require a special examination, based on this premise, of the economic and political implications and the physical problems involved. You would then explore the whole thing with a royal commission of inquiry into the problems, economical, political and physical. That is really what you are asking, is it not; are you not saying in effect that the provincial government positions have to be resolved, and that to some extent the provincial government requires the information and enlightenment that would come from a royal commission before it can take a position on the matter in representations to the national government.

Mr. COOPER: I do not think one can express it more fully or more accurately at this time than was expressed by Mr. Pearson.

A special examination into the problems related to maritime transportation and the Maritimes Freight Rates Act—

Mr. LLOYD: I think it is pretty obvious that the Canadian National Railways took over the I.C.R. because it was laid out geographically for what at the time really was a tactical defence by the British government with regard to Canada against some developments made to the south. Subsequently, the C.P.R. comes along and builds across the state of Maine and takes advantage of a competitive position as far as rails are concerned.

You now have new conditions of truck developments and you have other new developments being proposed. Someone wanted to build a ship canal to connect the bay of Fundy with the strait. You have all these implications; and in addition, the question of the defence of Canada is no longer involved. Perhaps we think in a more practical vein of the cost of transportation.

As I see it, what you are now pleading with this national committee is that there are constitutional commitments and physical disabilities with the present facilities, and now there is an awareness on the part of provincial governments that they should be involved in economic growth. There could be some very hard decisions to make. The only way to come to grips with the problem is to