

A. *Select Territory*

Section 2c) of the Bill gives the following interpretation of the term "select territory"

- 2c) "select territory" means the territory consisting of the Provinces of Nova Scotia, Prince Edward Island and New Brunswick, the Island of Newfoundland and that portion of the Province of Quebec that is south of the St. Lawrence River and east of Quebec Highway 23, being the highway connecting Lévis in Quebec with U.S. Route 201 in the State of Maine;

This interpretation was criticized by the organizations appearing before the Committee. They emphasized that the boundary of the "select territory" as described in the Bill, divides Lévis County and that it is unjust that enterprises that are part of the same industrial zone and are operating within the limits of the same county, cannot enjoy the same advantages, specifically with respect to transportation subsidies.

While the boundary for select territory in the Maritime Freight Rates Act places the western boundary at Diamond Junction, the western boundary in Bill C-207 is at highway 23 which is approximately 15 miles east of Diamond Junction.

A theory was also advanced that certainly acts in favour of the complaining parties. Under the present definition of "select territory", industries would in all probability, establish themselves by preference East of Route 23, in order to take advantage of the transportation subsidy privilege. The effect of that situation would be to place a sizable part of Lévis County at a disadvantage, and also to cause considerable harm to its industrial development.

B. *Recommendation*

Your Committee believes in the merits of the representations made by the various organizations that have appeared before it in Lévis, Province of Québec, with respect to the boundaries of the "select territory" as defined in Bill C-207.

Your Committee recommends that the Government study the opportunity of adopting an Act amending section 2c) of Bill C-207, in order to establish the same western boundary of the "select territory" for both railroads and trucks.

II. *FERRYBOATS*

A. *Communications between the North and the South Shore of the Gulf of St. Lawrence*

Several briefs have been submitted to the Standing Committee on Transport and Communications stressing the need for a ferryboat service between the North and the South Shore of the Gulf of St. Lawrence.

The summer service has long since proved its usefulness for the transportation of food products and construction materials imported from the South Shore to the North Shore. The ferryboat service which is regularly used by the residents of the Sept-Iles area travelling to the Gaspé area and the Maritime provinces, promotes, in addition, the tourist industry on the North Shore.

This ferryboat service, naturally has to be discontinued during the winter months, due to the considerable amount of ice moving in the Gulf of St. Lawrence. An icebreaker-ferry should be put in service, or an icebreaker should