

Supply—Transport

and construction yards in Victoria and Vancouver? Would the minister be good enough to inform this committee and the members of all parties what the policy of his department is in this regard? Is consideration given to the special situation of British Columbia and, if so, what preference is given, and on what policy basis is it established?

Mr. Hees: We build our ships by tender and award our contracts under the best tender we receive. Our shipbuilding orders are open to any bidder in Canada. If we have a number of ships to build—and on one occasion I think we had six ships building—we may call tenders in various localities in Canada and restrict the tender calls to those areas to try to give all the areas of Canada a chance. Generally speaking, however, we adhere to the tender principle and our contracts are awarded on that basis.

Mr. Winch: It was my understanding that the Department of Transport operates on the basis of the lowest tender. I want to protect the taxpayer just as much as the government does, but we must also maintain a shipbuilding industry on the coast. Does the minister give any consideration, in connection with the awarding of contracts, to the additional cost required to maintain that industry in British Columbia in the interest, as I said before, of having a shipbuilding industry both on the Atlantic and the Pacific coast in war and peace? Does that play any part in the minister's decision as to the allocation of contracts?

Mr. Hees: As I explained, we do not allocate contracts; we call for bids and award the contract to the lowest bidder. However, when a ship is required solely for the west coast we do restrict our tender calling to the west coast, thereby giving west coast shipyards the opportunity to bid.

Mr. Van Horne: I have only four or five little points I wish to make this afternoon. First of all, I want to congratulate the minister on certainly being the greatest Minister of Transport this country has ever known.

I may say the Canadian National Railways in the maritime provinces, and in my particular area, have been in some instances improving their equipment and service. They have also brought down freight rates in some instances to the point where they can now compete with water transport. It was gratifying to note the other day that the steel required for the Campbellton-Cross Point bridge was brought to Campbellton cheaper by rail than it could have been brought by water.

However good may have been the results of the government's new policies in some

areas, I have in my riding certain very definite complaints. If all the people in my riding were happy with the C.N.R. I would tell you so. They are not all happy with the C.N.R., and I feel it is also my duty to tell you why. Just the other day the board of transport commissioners approved the cancellation of the service on 11.6 miles of rail from Connors to Clair. This was done by the board of transport commissioners in spite of the fact that we were able to show at the hearing the business on those 11.6 miles of road had increased 50 per cent per year each year in the last three years. This was done also in spite of the fact that the C.N.R., once it decided to cancel service on those 11.6 miles of track, immediately stopped maintenance of the line without having gone before the board to know whether their request would be accepted. In other words, I think in some places the C.N.R. is trying to use the board of transport commissioners as a rubber stamp, and I think in some instances the board goes along with that practice.

I think it was wrong to cancel service on that line, especially in view of the fact that you have a rail line down near a steel mill near Newcastle which cost somewhere in the neighbourhood of \$21 million, and it is not in use at the moment. The only use that ever was made of it was to run a few trains down there for the benefit of the public relations department of the C.N.R. In spite of that you have the rail line from Connors to Clair that was built in 1890 and has been in operation for 70 years and in the past three years has shown an increase in traffic of 50 per cent a year, but is no longer in operation. Our people are not happy over the cancellation of service over this line. They have come to depend on that service. I know one furniture factory in particular which is dependent on that particular line to get its furniture from the factory down to the main depot in Edmundston where it can be shipped. This is one complaint.

The next complaint, of course, has to do with the cancellation of train services from Edmundston. I hold in my hand a resolution from the city of Edmundston. This is a very serious resolution. The city expresses itself in very clear language and it is signed by the mayor, Mr. H. E. Marmen, and the city clerk, Mr. Thomas Guerrette. The resolution reads in part:

And whereas, in addition to travelling to Riviere du Loup by automobile or bus being inconvenient to the residents of Edmundston and surrounding area, it is quite probable and practically certain that on several occasions during the winter months it would be impossible for them to travel to and from Riviere du Loup due to storms and the condition of the roads.