

In my opinion, the solution which the new railway legislation proposes will be implemented two years hence. I say two years hence, because the Atlantic provinces will not know for two years just what benefits, if any, they will receive, from this legislation, and they are deeply concerned on that account. I feel that this proposed legislation could and possibly will be in favour of the railways as opposed to these provinces. Henceforth, unless the legislation gives fair and just treatment, the economy of the Atlantic provinces will in practice, not necessarily in theory, pay the railways a rate which at the very least will be compensatory—a word which is used frequently in the bill—and it will tend to be as much more compensatory as the traffic will bear. That is my fear in this regard as to what damage this may do to the economy of the region.

Honourable senators, this statement may sound extravagant and somewhat of an oversimplification of the facts, but I think it is essentially correct. It does not bid well for the future industrial growth of this region. In any event, this is the fear of the people living there.

No consideration of Bill C-231 can be meaningful unless one keeps in mind throughout the full significance of rail freight rates to our economy, and in relation to our industrial growth and population. We all know from past experience that many young people are obliged to leave our part of the country, that the better educated people move out, with disastrous consequences even for our existing economic base. We must have industry, and in order to have industry in these provinces we must have cheap rates so that we can sell our produce and our goods in other parts of the country.

I am not going to enlarge on this any further at the present time, but perhaps I may mention some of the recommendations which were made by the Atlantic provinces to the MacPherson Commission when that commission sat in our area. First: Extension of Maritime Freight Rates Act to all carriers of outbound traffic. Second: Removal of assistance on internal rail freight movements—except Newfoundland. Third: Special separate assistance for outgoing manufactured goods beyond the area of the Maritime Freight Rates Act. This assistance is designated at 20 per cent of assistance within the area and 30 per cent westward outside the area to certain boundaries such as Levis, I believe, and other parts of Quebec. Fourth: Road building.

In this connection, I do not think it is out of place to mention the recommendation which is in the minds of the people of my province, and also I believe of Nova Scotia and Prince Edward Island. They feel that where trucking has become such an enormous means of transportation, we should have through the State of Maine, which intervenes between us and other parts of Canada, a corridor road. I do not think that it is too much for the people of the Atlantic provinces to ask from the rest of Canada and I think it will come. We also ask for parity of Atlantic ports with American ports, and this is provided for in the bill.

We also protested the St. Lawrence Seaway. Canada today is paying very large sums of money for the seaway. It has been suggested that its tolls should be increased. The deficit runs somewhere around \$40 million a year, of which Canada is paying a very high proportion, something like 70 per cent, although we receive far less than that in benefits. This should receive attention. This is of course an international matter, for consideration by Canada and the United States.

There is also a recommendation regarding flour and grain, which has been provided for in this bill, and we are very pleased to see it.

I would like to read from an editorial of January 25 in the *Saint John Telegraph-Journal* which I think expressed very well indeed the feeling of most of the people in the area I have spoken of. This editorial deals with the transportation bill under the headline, "No Worse Off—Maybe". I quote from the editorial:

Changes in the government's transportation bill have apparently removed the immediate causes of Maritime alarm. They still provide no new benefits and no assurance that the act does not contain a time-bomb that will go off in our faces one day.

They say that because we do not know just what the bill will provide for us after this two-year term of review. The editorial continues:

Transport Minister Pickersgill has reworded the legislation, under pressure of Atlantic protest, to delete the direct menace written into the original.

The act still says that railway tolls and conditions must not leave any region at unfair disadvantage "beyond that disadvantage inherent in the location or volume of the traffic"—