

Transportation

portation costs would have been about 25 per cent higher than if those same markets had been supplied from Ontario or Quebec.

As transportation costs in the typical Nova Scotia plant made up 3 per cent of all its costs this increase would have inflated costs by about three quarters of one per cent.

● (8:50 p.m.)

These findings in themselves perhaps do not indicate that transportation is an alarming factor so far as dollars and cents are concerned, though the figures would be startling when one considers percentages upwards of 125 per cent.

In a second study by Professor George, carried out a few years ago, entitled "An inquiry into why the Atlantic provinces so often lose out to Quebec and Ontario in the battle for new industry", he made a sampling of 349 firms which had set up manufacturing plants in either Quebec or Ontario between 1959 and 1962. Perhaps I should say parenthetically that about 60 per cent of new manufacturing plants continue to be established in the industrial areas of the two central provinces.

Professor George found in his study that of the 349 firms, 279, or 79 per cent, had considered one province only, and that happened to be the province in which the new plants were actually established. He found that 56 firms or 15 per cent had considered both Quebec and Ontario but no other province; that 16 firms or about 5 per cent of the total had considered provinces other than Quebec and Ontario, nine of which considered western provinces and seven of which considered Atlantic provinces.

The professor looked for the reasons these firms ignored the possibility of establishing in provinces other than in central Canada and most of the firms supplied these reasons. The first factor against locating outside the central Canadian region was the cost of transporting the finished product to the customer, or as the professor puts it:

The cost of bringing in materials and transporting the finished products to their markets figured very prominently. This seems to be the main competitive disadvantage of the outlying areas and the one which governments which seek to influence the location of industry have to overcome.

Part of the reason relates to a psychological factor because people look at transportation in a very general way without delving into the situation to discover the disadvantages which one would not encounter when locating a factory in Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland, the prairie provinces and British Columbia as

[Mr. McCleave.]

opposed to central Canada. Nevertheless, the transportation factor has a leverage effect and, small as it may be, influences the decisions of executives in the location of new factories.

Let me point out again that these studies on transportation, helpful as they are and necessary as they may be, do not take into account a large part of the transportation problem which is so vital to Atlantic Canada. To have an effective national transportation policy, Atlantic Canada and its needs must be considered as soon as possible. Following the period of freeze we may find that some of our problems are solved, but that other problems have grown and become almost insurmountable.

Mr. E. Nasserden (Rosthern): Mr. Speaker, in rising to take part in this debate I cannot help but recall the smile on the face of the Minister of Transport (Mr. Pickersgill) when he rose in this house with an assumed spirit of meekness to introduce this measure, in the hope that it would receive co-operation from all sides. Many years ago we on this side recognized the need for a national transportation policy in this country.

The minister referred to the fact that members in all parts of the house were responsible for the failure of this government to do anything about this matter during the last three years. I recall vividly the statements made by the minister in the house and across the country because in the course of a few months we had not acted on the initial MacPherson commission report. In contrast to those statements the minister paid tribute to the Leader of the Official Opposition (Mr. Diefenbaker) who, as prime minister, set up the MacPherson commission to study railway problems. Surely that is in contradiction to the many views expressed by those members when on this side of the house in criticism of the establishment of commissions set up to ascertain certain facts regarding problems facing this nation.

It is gratifying to see the Minister of Agriculture (Mr. Greene) in the house during the course of this discussion, because nothing is more important to those engaged in agriculture than transportation costs. Certain provisions of this bill will affect the costs of producing many things in Canada, but to a greater extent will affect the cost of agricultural production. This is more important because the increased costs faced by the agricultural industry as a result of certain