

said, there are innumerable public services operating in this country today which are not making a profit.

Let us consider the matter of freight rates. In the Atlantic provinces we are more affected by this than people in any other part of Canada. In the past 29 months we have suffered eight increases. There was a freeze on freight rates until 1969, and since then we have suffered these increases. To give an idea of how serious they are, I offer the following figures. In June, 1962, the basic freight rate per carload of potatoes from Charlottetown to Montreal was 46 cents per 100 pounds. In 1967, it was 51 cents; in 1969, it was 54 cents and in 1970 as well as at present, 57 cents. In 1962, from Charlottetown to Toronto, the rate was 61 cents; in 1967, it was 67 cents; in 1969, it was 71 cents, and in 1970 and at present, 75 cents. That is an increase of 14 cents from 1962 to 1972. The situation is even worse from Charlottetown to Newfoundland. In 1958, it was 88 cents; 1959, 95 cents; 1967, \$1.04; 1968, \$1.06; 1969, \$1.15; 1970, \$1.19; 1971, \$1.30; and 1972, \$1.44. From 1958 to 1972 an increase from 88 cents to \$1.44.

These increases are detrimental to the potato industry in the province. As hon. members know, we are heavily dependent on that potato industry. With these increases we cannot compete with potatoes grown in other parts of Canada, despite the fact that Prince Edward Island produces a quality of potato superior to that grown in any other part of the country.

Some hon. Members: Hear, hear!

Mr. McQuaid: Industries are discouraged from coming to our province because of the vicious freight rate structure. We have no raw materials in Prince Edward Island, so they have to be brought in for the purpose of manufacture. Then, the finished product is sent to market, but with the high freight rates on the raw materials as well as the finished product our industries cannot compete with those in other parts of Canada. This naturally is a discouragement to industries which might otherwise be interested in settling there.

Just last Wednesday, the Department of Agriculture announced changes in the Canadian livestock feed freight subsidy for feed grain. This grain comes from western Canada and the freight rates are subsidized. The subsidy was raised for the provinces of Nova Scotia, Ontario, New Brunswick, Quebec and British Columbia but Prince Edward Island was not mentioned. Mr. Speaker, if there is a province in Canada to which the increased subsidy should apply it is Prince Edward Island, where the livestock and dairy industries are suffering because of the high cost of feed grain. Practically all feed grains have to be brought in from western Canada. I very sincerely ask the government why they have discriminated against Prince Edward Island in this matter.

An hon. Member: They have no seats there.

Mr. McQuaid: Possibly that is the answer but it is a most unfair situation, and one to which I take very serious exception. The increased subsidy should have been granted to our province because our need is equal to, and in some cases greater than, those provinces to which it has been applied. The Minister of Agriculture (Mr. Olson) is reported to have made a statement that the changes were

CNR and Air Canada

made to bring freight subsidies in line with changing costs during the last year, particularly in the remote areas. Mr. Speaker, our area may definitely be classed as a remote area, especially so far as the transportation of feed grain from western Canada is concerned. I want to know from the Minister of Agriculture or the government why Prince Edward Island has been so grossly discriminated against with respect to these subsidies.

• (1520)

An hon. Member: Shame.

Mr. McQuaid: Another serious complaint heard in our province relates to the lack of availability of refrigerator cars used for shipping potatoes. The growing of potatoes is a prime industry in Prince Edward Island, and we must get those potatoes to market. It will be impossible to get them to market unless the railway provides us with the necessary refrigerator cars. The situation during the past week, as noted by the Minister of Transport (Mr. Jamieson) today, has been very, very serious. When refrigerated cars are not available, we cannot transport our potatoes to markets which are crying for them. As I say, potatoes cannot be shipped if the railways will not supply us with refrigerated cars. Other modes of transport are not available, refrigerated motor trucks not being available in sufficient quantities to transport our potatoes to market. I hope, therefore, that the department will take steps to remedy the situation as soon as possible.

The last matter I want to mention, Mr. Speaker, is the matter of air transport. Strangely, some people apparently do not recognize Prince Edward Island as a province of Canada, because we are the only province of Canada to which Air Canada has refused to come.

Mr. Forrestall: That is disgraceful.

Mr. McQuaid: A few years ago an application was made to Air Canada for the provision of air transport to Prince Edward Island, at least to a limited extent, so that we would be serviced in the same way as the other provinces of this country. Air Canada refused. I say with considerable pride that we have been able to get along without the services of Air Canada. That, however, does not excuse Air Canada for refusing to serve that area. Eastern Provincial Airways is presently providing a modern, up-to-date service to our province. The airline operates three Boeing 737 jets, each of which can carry either 108 or 109 passengers. It also operates eight other propeller driven aircraft which provide transport facilities between the island and other parts of the eastern seaboard. Eastern Provincial Airways presently employs 500 people. So, it is an industry. There is now a non-stop flight from Montreal to Charlottetown. The trip takes one hour and fifteen minutes, and the aircraft continues on, from Charlotte-town, to Halifax and various other places in Newfoundland.

Eastern Provincial Airways presently has an application before the Air Transport Commission for a service which would link the three Maritime capital cities with Montreal. It is proposed that this service shall start in Charlottetown at eight o'clock in the morning. The aircraft is to proceed from there to Halifax, Fredericton, Chatham, New Brunswick, Charlo, New Brunswick, and