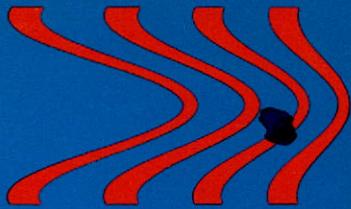


Atlantic Provinces Transportation Commission



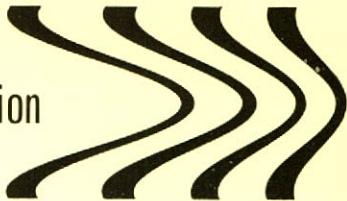
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TRANSPORTATION
REVIEW
AND
ANNUAL REPORT



...59th Year of Service

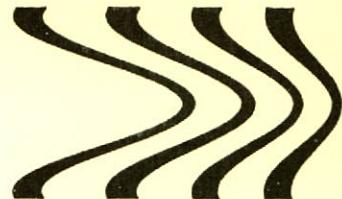
Atlantic Provinces Transportation Commission



**TRANSPORTATION REVIEW
AND
ANNUAL REPORT FOR THE
YEAR ENDED MARCH 31, 1984**

The Atlantic Provinces Transportation Commission has offices at 236 St. George Street (Suite 210), Moncton, New Brunswick. The services of the Commission are freely available to individuals, corporations and trade groups doing business in the Provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

Atlantic Provinces Transportation Commission



P. O. Box 577
Moncton
New Brunswick
E1C 8L9

Tel. (506) 855-0031
Telex 014-2842

Honourable Jack MacIsaac
Minister of Transportation
Province of Nova Scotia
Halifax, N. S.

Honourable Ronald Dawe
Minister of Transportation
Province of Newfoundland
St. John's, Nfld.

Honourable W. G. Bishop
Minister of Transportation
Province of New Brunswick
Fredericton, N. B.

Honourable Gordon Lank
Minister of Transportation &
Public Works
Province of Prince Edward Island
Charlottetown, P. E. I.

Sirs:

On behalf of the Directors, I am pleased to present the Transportation Review and Annual Report of the Atlantic Provinces Transportation Commission for the period April 1, 1983, to March 31, 1984. This report attempts to review transportation developments in Canada, particularly as they relate to the Atlantic Provinces. In addition, it covers, to a limited extent, some of the activities of the Commission during the year 1983-84.

Many industries throughout the Atlantic Region have benefited again this year from the Commission's activities. This service to the business community and to your governments is possible only through the financial support provided by the Governments of Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador.

Mindful of the investment of public funds in the Commission, I am pleased to report that, in my opinion, the operations of the Commission are conducted in an efficient and business-like manner.

All of which is respectfully submitted.

E. S. Bailey
Chairman

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**DIRECTORS OF THE
ATLANTIC PROVINCES TRANSPORTATION COMMISSION
AS AT MARCH 31, 1984**

NOVA SCOTIA

Government

G. T. H. Cooper
D. J. MacDougall
F. T. Stanfield

Halifax, N.S.
Halifax, N.S.
Truro, N.S.

Atlantic Provinces Chamber of Commerce

D. G. Burchell
E. L. Dillman
C. A. Meisner

North Sydney, N.S.
Hantsport, N.S.
Liverpool, N.S.

NEW BRUNSWICK

Government

G. F. Eddy
F. H. Hatfield
W. W. Steeves

Bathurst, N.B.
Hartland, N.B.
Fredericton, N.B.

Atlantic Provinces Chamber of Commerce

E. S. Bailey
E. M. S. Fisher
T. S. Simms, Jr.

Edmundston, N.B.
Sackville, N.B.
Saint John, N.B.

PRINCE EDWARD ISLAND

Government

K. A. MacKenzie
G. D. Wright

Charlottetown, P.E.I.
Central Bedeque, P.E.I.

Atlantic Provinces Chamber of Commerce

N. Clarey
G. Key

Montague, P.E.I.
Summerside, P.E.I.

NEWFOUNDLAND

Government

H. M. Noel
E. J. O'Brien

Grand Falls, Nfld.
St. John's, Nfld.

Atlantic Provinces Chamber of Commerce

H. G. Manuel
S. R. Winter

Corner Brook, Nfld.
St. John's, Nfld.

ALSO

President, Atlantic Provinces Chamber of Commerce

S T A F F

Craig S. Dickson, General Manager
Ramsay M. S. Armitage, Assistant General Manager
Lorne M. Mitton, Transportation & Distribution Officer
Austin S. Durant, Senior Traffic Analyst
Peter A. Vuillemot, Assistant Transportation & Distribution Officer
Dale V. Ronalds, Traffic Analyst
Sheldon B. Steeves, Assistant Traffic Analyst
Debbie E. Matchett, Assistant Traffic Analyst
Charles D. Mollins, Research Officer & Accountant
Mona Savoie, Senior Tariff Clerk
Cathy Peters, Staff Secretary
Susan Wilson, Assistant Staff Secretary

1983 - 1984

EXECUTIVE COMMITTEE



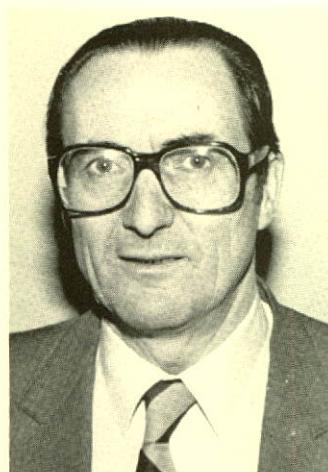
E. S. BAILEY

Chairman

Vice-President of Purchasing,
Transportation & Stores

Fraser Inc.

Edmundston, N. B.



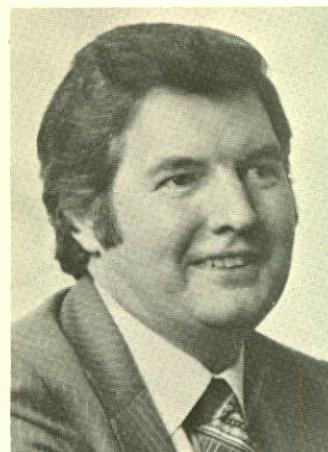
H. MANUEL

Vice-Chairman

Sales & Traffic Manager

North Star Cement Limited

Corner Brook, Nfld.



E. L. DILLMAN

Group Traffic Co-ordinator

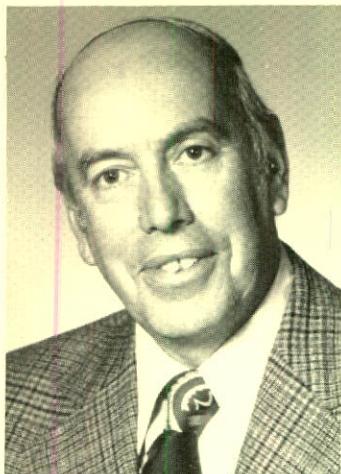
Scotia Investments Ltd.

Hantsport, N. S.

1983 - 1984

EXECUTIVE

COMMITTEE



G. KEY

President

JO-EL Investments Ltd.

Summerside, P.E.I.



D. J. MacDOUGALL

Director, Transportation Policy

Province of Nova Scotia

Halifax, N. S.



K. A. MacKENZIE

Director, Transportation Division

Province of Prince Edward Island

Charlottetown, P. E. I.

1983 - 1984

EXECUTIVE COMMITTEE



E. J. O'BRIEN

Director of Transportation

Province of Newfoundland

St. John's, Nfld.



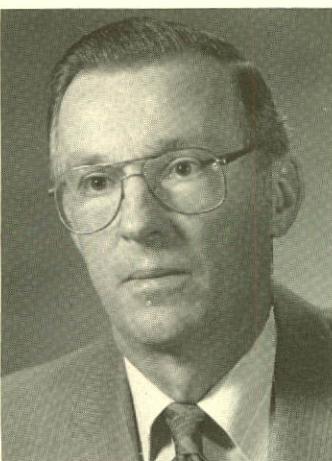
W. W. STEEVES

Director

Transportation & Communications Policy

Province of New Brunswick

Fredericton, N. B.



C. S. DICKSON

General Manager

Moncton, N. B.

COMMISSION STAFF



Left to Right: seated - Susan Wilson, Lorne Mitton, Craig Dickson, Ramsay Armitage, Cathy Peters; standing - Charles Mollins, Debbie Matchett, Dale Ronalds, Sheldon Steeves, Peter Vuillemot, Mona Savoie, Austin Durant

OBJECT AND FUNCTIONS OF THE ATLANTIC PROVINCES TRANSPORTATION COMMISSION

The object of the Atlantic Provinces Transportation Commission is to obtain for persons and industries in the Atlantic Provinces the best transportation services possible at a cost which will permit the Atlantic Provinces to compete in the markets of Canada and throughout the world.

To this end, included in the functions of the Atlantic Provinces Transportation Commission, as approved by the Directors of the Commission, are -

- (1) To maintain suitable files of carriers' tariffs and other publications to provide shippers, receivers and non-government agencies with data and expertise on rates and charges by all modes of transport;
- (2) To circulate information on transportation developments, including rates, service and policy changes; a periodical newsletter, "Tips & Topics", being one of the vehicles used for this purpose;
- (3) To negotiate directly with, or to make representations to, carriers or their agencies on behalf of all transportation users to obtain the best possible rates and services;
- (4) To assist shippers, receivers and non-government agencies or groups with advice on transportation or distribution matters, including the preparation and presentation of briefs and submissions;
- (5) To assist carriers when such assistance is consistent with the Commission's overall objective;
- (6) To provide technical advice to the governments and government agencies of the Atlantic Provinces, including detailed studies on specific industries and continuing programs tailored to the needs of the particular province or provinces;
- (7) To supply information to the Atlantic Provinces, individually or collectively, pertinent to the assessment or formulation of transportation policy;
- (8) To assist the Atlantic Provinces, individually or collectively, in the preparation and presentation of submissions and representations to the Federal Government or its agencies;
- (9) To continually review the transportation system serving the region and, where required, make recommendations to the Provincial Governments for improvements in the system whether it be public or private;
- (10) To make representations to the Provincial Governments, subject to the approval of the Directors of the Commission; and,
- (11) To make such public statements or submissions in regard to Federal or Provincial policy as shall be approved by its Directors, the Provincial Governments, or both.

The services of the Commission are available free of charge by contacting the Commission's office at 236 St. George Street (Suite 210), Moncton, N.B. Inquiries should be directed to the General Manager, Atlantic Provinces Transportation Commission, P. O. Box 577, Moncton, N.B., E1C 8L9. Phone (506) 855-0031, Telex 014-2842.

GENERAL TRANSPORTATION REVIEW

Transportation events of particular significance to the Atlantic Provinces occurring during the year covered by this report were: (1) the review of the MFRA/ARFAA assistance programs; (2) review of provincial motor carrier regulations; (3) preliminary evaluation of TerraTransport container service to Newfoundland; (4) the MacDonald Commission inquiry; and, (5) the Shipping Conferences Exemption Act review. Also, while of greater significance to other areas of Canada, during the past year the "Crow" rate issue was dealt with under the Western Grain Transportation Act.

Rail

Railway carloadings in Canada during 1983 showed modest improvement over the previous year when, due to the depressed economic conditions, carloadings were down considerably from those of recent years. The table below contains statistics for carloadings in Canada (figures for the Atlantic Provinces are not available).

RAILWAY CARLOADINGS 1983

	<u>1983</u> (Tonnes X'000)	<u>1982</u> (Tonnes X'000)	<u>% Change</u>
Carload Traffic Loaded	206,618	199,436	+3.6
Non-Carload Traffic Loaded	403	424	-5.0

Source: Statistics Canada Railway Carloadings
December, 1983
Catalogue 52-001

Financial results of Canadian National Railways and Canadian Pacific Limited, as taken from the companies' Annual Reports, for transportation related services are as follows:

CANADIAN NATIONAL RAILWAYS

	<u>1983</u> (in millions)	<u>1982</u> (in millions)
System Profit (Loss)	212.3	(223.0)
Income From Divisions Before Taxes:		
CN Express	(25.4)	(40.6)
CN Marine	19.8	16.5
CN Rail	260.7	*(43.3)
CN Trucking	(7.9)	*(5.8)
TerraTransport	(34.6)	(32.4)

CANADIAN PACIFIC LIMITED

	<u>1983</u> (in millions)	<u>1982</u> (in millions)
System Profit (Loss)	143.6	188.3
Net Income From Divisions:		
CP Air	(16.4)	(39.2)
CP Rail	184.0	*117.9
CP Ships	(74.3)	(20.0)
CP Trucks	5.9	1.6

* Revised figure

Payments received to December 31, 1983, by both major railways under terms of the National Transportation Act, in respect of the maintenance of services of uneconomic branch lines which are required to be maintained in the public interest are outlined below:

**SUBSIDIES PAID TO CANADIAN NATIONAL RAILWAYS
AND CANADIAN PACIFIC LIMITED UNDER TERMS OF THE
NATIONAL TRANSPORTATION ACT IN RESPECT OF YEAR 1982**

(Payments to December 31, 1983)

	<u>Canadian National Railways</u>	<u>Canadian Pacific Limited</u>	
	<u>Claimed</u>	<u>Paid</u>	<u>Claimed</u>
Sections 256 and 258 of the Railway Act			
In respect of uneconomic branch lines	\$162,325,659	\$142,056,076	\$176,972,013
			\$145,531,796

Source: Canadian Transport Commission, Seventeenth Annual Report

A breakdown of the subsidies paid for uneconomic branch lines on a regional basis is shown below:

**PAYMENTS TO CANADIAN NATIONAL RAILWAYS
AND CANADIAN PACIFIC LIMITED
UNDER TERMS OF THE NATIONAL TRANSPORTATION ACT
IN RESPECT OF YEAR 1982**

(Payments to December 31, 1983)

	<u>Atlantic Provinces</u>	<u>Central Canada</u>	<u>Western Canada</u>
Canadian National Railways			
Section 256 (unprotected branch lines)	\$2,546,374	\$1,226,072	\$ 12,523,376
Section 258 (guaranteed branch lines)	Nil	Nil	125,760,254

	<u>Atlantic Provinces</u>	<u>Central Canada</u>	<u>Western Canada</u>
Canadian Pacific Limited			
Section 256 (unprotected branch lines)	107,349	3,447,241	8,796,300
Section 258 (guaranteed branch lines)	Nil	Nil	133,180,906
Totals	<u>\$2,653,723</u>	<u>\$4,673,313</u>	<u>\$280,260,836</u>

Source: Canadian Transport Commission, Seventeenth Annual Report

Last year witnessed the long sought passage of legislation dealing with the Crows Nest Pass grain freight rates. The Western Grain Transportation Act, proclaimed in force on November 23, 1983, and January 1, 1984, will gradually raise the non-compensatory rail rates on grain in Western Canada so that the grain shippers' share will double by 1985 and be five times higher by 1991. Annual payments exceeding \$600 million will be made to the railways as the government's share of the cost of moving grain by rail. As a result of the new legislation, the railways are expected to spend over \$16 billion on railway expansion and modernization over the next decade. The method of paying the railways directly for their losses was adopted in lieu of the method recommended in the Gilson report of payments of up to 80% of the railways' losses being made to producers who in turn would be required to pay rates at or near a compensatory level. The proposed payments to producers met with considerable opposition, particularly in Eastern Canada, including that of a number of interested groups in the Atlantic Provinces.

CN Rail announced plans on May 31, 1983, to establish a \$2 million integrated 12 acre multi-modal terminal in Moncton, N.B., to bring all rail-truck transfer operations under one centralized system. With actual construction to begin in early 1984, the new development will provide administrative and operational control for existing, as well as planned, intermodal activity including CN Rail's piggyback and container terminals and the cargo flow transfer point. Highway trailers and containers will be trans-shipped to all parts of the Atlantic Provinces from this facility.

CP Rail began operation of a new \$70,000 sulphuric acid transfer facility during December of 1983 which is located at CP Rail's Bay Shore Yard in Saint John, N.B. The facility provides receivers without railway sidings the ability to economically use rail transportation for this product.

During the year under review, VIA Rail announced plans to construct a \$32.6 million maintenance centre in Halifax, N.S., as part of a national maintenance network. The enclosed facility will be large enough to service a train consisting of three coaches and a locomotive. Design specifications will be sought in mid-1984, with construction to begin later in the year.

CN Rail expects to be able to market an improved train service for intermodal traffic between Halifax and Toronto in April, 1984. The new service, undergoing tests in early 1984, is expected to reduce the transit time between the two cities from 78 hours to 48 hours.

The United States government deregulated boxcar traffic (except the movement of non-ferrous recyclables) on January 1, 1984. The Canadian railways arranged bi-lateral agreements with their US railway connections to maintain all rates, rules and regulations that were in place prior to deregulation for all boxcar traffic handled over Canadian lines from and to the US. In addition, the Canadian railways arranged that various notification periods be stipulated for future changes in rates and routes and any shipper involved will be party to future negotiations. Canadian law and regulations dictate that publication of international tariffs and filing with the Canadian Transport Commission will continue as will the issuance of bills of lading.

Railway car demurrage charges in Canada were increased on April 1, 1984, by 5%. During the year, the Shippers' Demurrage Committee met on a number of occasions to discuss various matters relating to demurrage. The Committee is a group that includes representatives from the major industrial associations, including the Canadian Industrial Traffic League, Canadian Manufacturers' Association and the Atlantic Provinces Transportation Commission. Two significant matters being considered is a proposal by the railways that all private rail cars be exempt from demurrage charges if held on private sidings. At the present time, only private tank cars are exempt while on private tracks. The second subject is a proposal for the indexation of demurrage rates against the Consumer Price Index, Gross National Product, or some other formula, and has received opposition from all shippers' groups. It is anticipated that the exemption of private cars on private tracks will receive full support from shippers and the railways and be implemented in the near future.

The Canadian Transport Commission published new general rules, under authority of the National Transportation Act, effective September 1, 1983, respecting the organization of the Commission and the practice and procedures to be followed in respect of applications made to it. The new general rules are the result of a review of the previous regulations that included a public hearing in July, 1981, at which the APTC was present and made a submission.

Highway

Major federal-provincial highway projects were announced and construction started during 1983 in New Brunswick and Newfoundland. In northern New Brunswick, \$52 million is to be spent over the next three years on highway 8 between Bathurst and Fredericton; highway 17 between Campbellton and St. Leonard; and, highway 11 between Campbellton and Moncton, around the Acadian Peninsula. In Newfoundland, a \$44.45 million project over two years includes a start

to the trans-Labrador highway to eventually link Goose Bay with Labrador City, as well as construction of the Conception Bay South Arterial. Other highway construction is also included in the project.

The 1983-84 year saw CP Transport reorganize its Atlantic Canada operations by combining CP Express, CP Transport and Moffatt Group into one subsidiary called CP Express and Transport, Atlantic Division. The new entity will continue the full range of services previously offered - express, package express, truckload and marine container services for both domestic and international shipments. Atlantic Region headquarters will be located in Truro, N.S. A capital investment of \$75 million will be incurred for new equipment during 1983 and 1984, including 149 trailers and 28 tractors. Also included are new facilities in Dartmouth, consisting of a \$2 million terminal for CP Express and Transport, a second terminal for Canpar (small parcel division of CP Transport), and a 5300 square foot maintenance garage. As part of its reorganization, CP Express expanded service to a large number of communities in Newfoundland and Prince Edward Island.

Effective March 18, 1984, the New Brunswick Motor Carrier Board exempted tablestock and seed potatoes being transported from New Brunswick to the United States from the provisions of the Motor Carrier Act. This order enabled shippers in New Brunswick to move potatoes to the United States by for-hire trucks without the carrier having to obtain an operating authority from the Board. The transportation of potatoes within the United States does not require a motor carrier licence.

During 1983, a new one-coach bus service between Saint John and Halifax was established in a joint effort in bus pooling between SMT (Eastern) Ltd. and Acadian Bus Lines. The new service allows passengers and their luggage to make the entire trip without changing vehicles, with a travel time of 5 hours and 45 minutes. The bus connects in Moncton with a new express bus to and from Fredericton.

During the year in review, the Council of Ministers Responsible for Transportation and Highway Safety agreed in principle that highway trailers up to 48 feet (14.63 metres) in length would be permitted to operate through all provinces in Canada. Since not all provincial legislation has been amended to allow 48 foot trailers, special permits will be required in certain provinces.

Prompted by the relaxed level of controls governing entry into the trucking industry in the United States, a number of Canadian carriers, including carriers domicile in the Atlantic Provinces, were granted new or expanded operating authorities by the Interstate Commerce Commission during the past year. This has enhanced competition for the movement of traffic between the Atlantic Provinces and the US, with resulting improvements in the bargaining power of shippers.

Air

In the fall of 1983, the federal Minister of Transport asked the Air Transport Committee of the Canadian Transport Commission to hold public hearings on air fare policy. Such hearings were scheduled by the CTC across Canada commencing in February, 1984, with a view to:

- (a) determining what modifications, if any, should be made to its policies and practices;
- (b) determining what amendments, if any, should be made in the Air Carrier Regulations; and,
- (c) determining what changes, if any, the Canadian Transport Commission should recommend to the Minister of Transport with respect to national transportation policy.

As a result, during recent months there has been increasing public debate on the question of whether or not the Canadian airline industry should be subject to less regulation. The public hearings provided an opportunity for comments on that aspect of government policy. The majority of submissions to the CTC from provincial and municipal government officials, businessmen and interested trade groups agreed that air fares would likely fall on high density routes under a deregulation scheme but many of the submissions contended that, because of smaller centers and less population in the Atlantic Provinces, increased air fares or reduced service may result from airline deregulation.

The Canadian Transport Commission approved during 1983 the application by CP Air and Eastern Provincial Airways, whereby CP Air would contract out its Halifax-Montreal route to EPA for a period of two years. In addition, on April 24, 1983, CP Air and EPA began an across Canada flight system linking Atlantic Canada with Western Canada with only one stop in Toronto.

During January, 1984, EPA announced plans to move its headquarters and maintenance base from Gander, Nfld., to Halifax, N.S. The move, scheduled to begin in April and concluded in the fall of 1984, is expected to save EPA \$5 to \$8 million per year.

During 1983-84, there was considerable construction and announcements of future expansion at some of the major airport facilities in Atlantic Canada. This activity is summarized below:

Charlottetown, P.E.I. - Construction of a new \$5.8 million east to west runway was started in 1983 and scheduled for completion in 1984, in addition to \$1.4 million in resurfacing of the existing runway. A \$2.2 million contract was awarded for construction of a new air traffic control tower, scheduled for completion by summer of 1984. Final approval was given for construction of a new \$7.2 million terminal facility to be built in 1984.

Saint John, N.B. - Runway 14-32 was resurfaced during 1983 at a cost of \$830,000. Approval was given for renovations to the terminal building, particularly the passenger arrival area, costing \$1.2 million and scheduled for completion by the summer of 1985.

Fredericton, N.B. - A \$3.5 million expansion project scheduled for completion by 1986 was announced to accommodate growth in traffic.

Sydney, N.S. - A \$1.3 million contract was awarded to upgrade the electrical distribution systems.

St. John's, Nfld. - A master plan prepared by Transport Canada for the St. John's airport was released in December of 1983. The plan, if implemented, would see investments of \$80 to \$100 million over the next nine years to accommodate substantial increases in traffic expected due to offshore oil and gas exploration. The major components include improved runways and landing systems at a cost of \$30 to \$35 million, a new air terminal at \$33 to \$36 million, and a new cargo area at \$3 to \$6 million.

As shown in the statistical table below, Air Canada made a profit of \$3.8 million during 1983, an increase of 111.7% when compared with the previous year. The Atlantic Region traffic for Air Canada showed very favourable increases during the year, with passenger totals up by 8% and revenue up by 13%, while cargo volume increased 20% and revenue by 17%.

The income figure for Eastern Provincial Airways was not available at this writing; however, passenger totals and freight ton miles decreased substantially and this can be attributed to their pilots strike.

	AIR CANADA			EASTERN PROVINCIAL		
	1983	1982	Percent Change	1983	1982	Percent Change
Revenue Passengers Carried	10,500,000	11,400,000	-7.9	556,900	787,600	-29.3
Revenue Passenger Miles (X'000)	12,728,000	13,590,000	-6.3	290,910	395,461	-26.4
Freight Ton Miles (X'000)	#	#	#	3,690	5,234	-29.5
Revenue Ton Miles (X'000)	437,000	398,000	+9.8	#	44,781	#
Passenger Load Factor	65.0%	63.1%	+3.0	54.0%	53.9%	-0.2
Net Income (Loss) After Taxes	3,800,000	(32,600,000)	+111.7	#	877,000	#

Not available at time of printing

Source: Air Canada and Eastern Provincial Airways

Marine

During 1983 cargo handled at the Port of Halifax, N.S., increased by 10.9%; however, the Ports of Saint John, N.B., and St. John's, Nfld., suffered decreases of 7.0% and 2.7% respectively. The increase at Halifax can be attributed to increased shipments of crude and refined petroleum products, gypsum shipments to the United States, as well as a 7% increase in container traffic. Traffic totals at Saint John were lower in all categories due to a decline in shipments of automobile parts, grain, flour and forest products.

The slight decline at St. John's is attributed to a decrease in shipments of fish and petroleum products; however, the trend to container traffic continued with a 6.5% increase.

WATERBORNE CARGO TONNAGE, LOADED OR UNLOADED AT CANADA PORTS CORPORATION PORTS OF SAINT JOHN, N.B., HALIFAX, N.S., ST. JOHN'S, NFLD., AND BELLEDUNE, N.B.

(In Metric Tones)

ALL CARGO

Calendar Year	Saint John	Halifax	St. John's	Belledune	Total
1983	8,346,831	12,493,356	1,072,726	314,992	22,227,905
1982	8,972,574	*11,267,711	1,102,118	419,688	21,762,091
Increase or (Decrease)	(625,743)	1,225,645	(29,392)	(104,696)	465,814
% Change	-7.0%	+10.9%	-2.7%	-24.9%	+2.1%

GENERAL CARGO

1983	950,806	466,353	126,460	-	1,543,619
1982	976,305	480,784	152,893	-	1,609,982
Increase or (Decrease)	(25,499)	(14,431)	(26,433)	-	(66,363)
% Change	-2.6%	-3.0%	-17.3%	-	-4.1%

CONTAINER CARGO

1983	913,998	1,506,029	266,772	-	2,686,799
1982	986,556	1,419,345	250,454	-	2,656,355
Increase or (Decrease)	(72,558)	86,684	16,318	-	30,444
% Change	-7.4%	+6.1%	+6.5%	-	+1.1%

* Revised figure

Source: Canada Ports Corporation

Canadian Transport Commission hearings into two CN/CAST matters concluded during the year. Following hearings in the fall of 1983, the CTC found in its decision WTC 3-84 of February 10, 1984, that the proposed acquisition of TASK Terminals by CN should not be disallowed. The initial case involved the acquisition by CN of:

- (a) additional share interest in Eurocanadian Shipholdings Limited (the parent company of CAST);
- (b) the purchase by CN of certain assets of TASK Terminals and CAST Containers and the option to acquire all common shares of TASK, then owned by Eurocanadian; and,
- (c) the option of CN to convert its preferred shareholdings in Eurocanadian into common shares of CAST.

By the date the hearings concluded, CN had decided not to exercise its option to convert its preferred shares, Eurocanadian was in liquidation proceedings in Bermuda and the Committee was left with only the TASK acquisition to consider.

During those hearings, the Committee undertook to conduct a broader investigation of multi-modalism under Section 22 of the National Transportation Act. At year end, draft terms of reference for such an inquiry were being circulated by the CTC to interested parties for comment.

In the second case, involving the relationship between CN/CAST and specifically the alleged payments of a rebate by CN to CAST on containers carried by CN between Montreal and points in the United States, the CTC decision had not been issued at year end.

During the year under review, the following general increases in conference ocean rates and charges were implemented:

- Eastern Canada-Caribbean Freight Association: 6% effective October 1, 1983.
- Canada-Mediterranean Ocean Freight Conference: (Israel only) 7.5% effective February 1, 1984.
- Eastern Canada-Caribbean Freight Association: 6% effective February 1, 1984.
- Canada-Mediterranean Ocean Freight Conference: 10% effective February 15, 1984.
- Canada-United Kingdom Freight Conference and Canada-Continental Freight Conference:
 - (1) general rate increase of 12.5% effective January 1, 1984;
 - (2) Saint John arbitrary charge increased by \$100 per container effective March 1, 1984.

During March, 1984, Canada Ports Corporation approved a \$25 million extension of the Fairview Cove container terminal at the Port of Halifax, N.S. The present terminal berth is 1,080 feet long and can only dock one large ship at a time. The extension will double the terminal berth and allow two of the larger third generation container ships to dock at one time. Construction is expected to begin in the spring or summer of 1984 and take eighteen months to complete.

Effective June 1, 1984, the Port of Halifax, N.S., will gain local port corporation status as a result of changed federal legislation. The Ports Canada legislation takes port operations out of direct government control and places them under a Crown Corporation, Canada Ports Corporation. The Halifax Local Ports Corporation will be highly autonomous and the seven member board will be able to set their own tariffs, write by-laws, authorize expenditures of as much as \$10 million, and sign agreements for as long as ten years. An application for local port corporation status from the Port of Saint John, N.B., was pending at the end of the year under review.

During 1983-84 expansion activity took place at some of New Brunswick's local ports. A \$1.3 million expansion at the Port of Dalhousie increased the 80,000 square foot storage facilities by 33,000 square feet. The funds were provided by the federal government under a five year lease agreement with New Brunswick International Paper Co., who use the storage facilities. Construction also began on a \$16.5 million Miramichi port project that was announced by the federal government in May of 1983. The entire project is to include a 71 metre wharf extension, a new 10,200 square metre shed and expanded back-up space of 14,500 square metres in Newcastle and 9,000 square metres of open space in Chatham. The project was originally scheduled for completion in 1986; however, work is presently ahead of schedule.

Additions to and changes in international steamship services during the year under review involving Atlantic ports are:

- During 1983-84, ACL Canada Inc. entered into a connecting carrier agreement with Navieras de Puerto Rico and began a direct weekly full container service between Halifax, N.S., and ports in the Caribbean. Under the new non-conference service, ACL moves 40 foot dry and refrigerated containers directly from Halifax to Port Elizabeth, NJ, where they are transferred to Navieras vessels for delivery to Caribbean ports of discharge under Navieras tariffs and bills of lading. Ports of call include San Juan, Puerto Rico; Santo Domingo, Dominican Republic; Port au Prince, Haiti; and Point Lisas, Trinidad.
- On June 13, 1983, Sea-Land Services Inc., a United States flag carrier, began a regular weekly, ocean container service between Halifax, N.S., and ports in the United Kingdom, Continental Europe, Scandinavia, the Caribbean, Central America, the

Mediterranean, the Middle East, India and Asia. Container equipment available consists of 35 foot and 40 foot dry cargo and reefer containers.

- During October, 1983, P.T. Djakarta Lloyd, the Indonesian flag line, began a regular monthly, non-conference ocean containership service between the Port of Halifax, N.S., and the Middle East, Southern Asia and the Far East. The line provides service to the ports of Jeddah, Damman, Dubai, Jubail, Singapore, Jakarta, Kaohsiung and Pusan, as well as feeder service to various ports in the Middle East and Indonesia.
- During 1983-84, W.E.C. Lines inaugurated a non-conference containerized ocean shipping service from the Atlantic Provinces to the Caribbean area. The new bi-monthly service operates from Saint John, N.B., to the Caribbean countries of Haiti, Jamaica, Barbados and Trinidad. Also offered is a 40 foot reefer container service to Port of Spain, Trinidad.
- During February, 1984, Barber Blue Sea terminated its regular call on the Canadian East Coast and consolidated much of its east coast traffic via the Port of New York. In addition, Atlantic Express Service Inc. changed its Atlantic Canada port of call from Saint John, N.B., to Halifax, N.S.

During the year, port charges at Atlantic Canada ports were increased by 5% in line with federal price guidelines as follows:

- Wharfage, harbour dues, berthage and anchorage at Canada Ports Corporation wharves, effective January 1, 1984.
- Wharfage, storage, berthage and other port charges at Government of Canada wharves, effective March 1, 1984.
- Tailgating charges at Port of Saint John, N.B., effective April 1, 1984.

Ferries

The 1983 traffic totals for the major ferry operations in Atlantic Canada showed increases in all categories when compared with the previous year. Overall totals for passengers increased 6.5%, automobiles and pick-up trucks 6.1%, and trucks and tractor-trailers 5.7% when compared with 1982. The only exception to this increase was the Northumberland Ferries service between Wood Island, P.E.I., and Caribou, N.S., which encountered a 5.6% decrease attributed to a strike that shortened the season by one month.

Statistics for the year 1983 appear below, with 1982 figures in brackets:

FERRY OPERATING STATISTICS FOR ATLANTIC CANADA

<u>Service</u>	<u>Passengers</u>		<u>Automobiles and Pick-Up Trucks</u>		<u>Trucks and Tractor Trailers</u>
<u>CN Marine Services</u>					
Cape Tormentine - Borden	1,565,603 (1,451,915)	+7.8%	524,859 #(485,863)	+8.0%	102,335 #(93,604)
North Sydney - Port aux Basques	284,421 *(271,933)	+4.6%	69,124 #(64,961)	+6.4%	41,386 #(38,728)
North Sydney - Argentia (1)	32,535 (31,764)	+2.4%	8,825 (8,141)	+8.4%	100 (107)
Yarmouth - Bar Harbour	127,555 *(90,203)	+41.4%	31,727 #(24,370)	+30.2%	4,660 #(5,427)
Yarmouth - Portland					
Saint John - Digby	241,613 *(231,807)	+4.2%	57,457 *(54,795)	+4.9%	26,115 (24,189)
<u>Northumberland Ferries Service</u>					
Wood Island - Caribou (2)	496,400 (526,300)	-5.7%	141,346 (149,037)	-5.2%	31,269 (33,518)
<u>Prince of Fundy Service</u>					
Yarmouth - Portland (3)	141,285 (110,285)	+28.1%	22,507 (19,505)	+15.4%	1,258 (439)

(1) 1983 operated June 18 to September 11
1982 operated June 13 to September 12
(2) 1983 operated May 22 to December 19
1982 operated April 23 to December 23
(3) 1983 operated May 5 to October 28
1982 operated May 13 to October 30

* Revised totals

Revised to transfer pick-up trucks from truck column to automobile column

Source: CN Marine Inc.

Northumberland Ferries Limited

Prince of Fundy Cruises Limited

CN Marine implemented a 5% across the board increase in all ferry and coastal service rates and charges effective January 1, 1984, which reflects federal price guidelines policy. The increase applied to passenger fares, passenger and commercial vehicles and freight rates in the Newfoundland Labrador coastal service.

CN Marine signed a \$10 million contract during 1983 for construction of a new double loading docking facility at North Sydney, N.S., to accommodate the new Gulfspan ferry "Caribou" currently under construction for service in 1985 between North Sydney, N.S., and Port aux Basques, Nfld. The contract includes new dock approaches, bi-level loading ramps, related steel work,

lighting and paving which will enable the new vessel to meet a fast turnabout schedule in peak season. In addition to the new docking facility, a new passenger service complex is presently in the design stage.

The new \$4 million CN Marine passenger ferry M/V "Marine Courier" was christened on November 30, 1983. The 38 metre aluminum passenger ferry, with 144 passenger capacity, will serve as the only transportation link for the outports along the south coast of Newfoundland, with the beginning of the new season in May of 1984.

A new passenger access between the ferry terminal and dock at Yarmouth, N.S., will be completed by July 1, 1984, to accommodate the (new) ferry "Bluenose" which operates between Yarmouth and Bar Harbour, ME. The new \$620,000 facility is a combination fixed and hinged ramp with a telescoping connection between ship and shore designed to compensate for Bay of Fundy tide ranges.

The Newfoundland government has ordered an \$8 million car ferry to be constructed at Marystow Shipyards Ltd. Construction of the 53 metre 1,200 ton vessel to accommodate 35 cars and 189 passengers is scheduled to begin in June, 1984, with completion in January, 1985, for service as an intra-provincial ferry.

During July, 1983, a new ferry costing \$1,325,000 went into service between Miscou and Lameque Islands, which are located off the Caraquet coast of New Brunswick. The new ferry is part of a \$5,360,000 causeway-ferry project started in 1981 by the New Brunswick government. The project also includes a causeway on each end of the crossing totaling approximately 2,000 feet which, together with a breakwater to provide a sheltered area for the ferry to tie up, cost \$4,035,000.

GENERAL LEVEL OF RATES

Rail Rates - Domestic & Express

The continuation of the federal government's wage and price restraint program has had a major impact on railway freight rates in Canada during the past year. Consistent with the guidelines, increases in domestic rail carload rates, including agreed charge rates, rail piggyback Plan II rates and rail express rates were held to a maximum of 5% for the 12-month period beginning the day following the expiration of rates that were increased by 6% for the previous 12-month period. Announcements made in February, 1984, by the federal Minister of Finance in the budget speech and by the Minister of Transport have extended the restraint program for an additional 12-month period by limiting increases to a maximum of 4%.

Rail Rates - International

During the year under review, international rail rates applying between Canada and the United States were subject to a 0.2% increase effective October 9, 1983, and a 4.1% increase effective January 1, 1984, under Rail Carrier Cost Recovery Tariffs X-083A and X-084 respectively. In addition to the general Ex Parte increases noted above, certain commodities were also subject to a selective increase. Rates on lumber and forest products were increased by 5% on July 15, 1983, and rates on paper products such as woodpulp, newsprint, printing paper and groundwood paper were increased by 3.5% on December 15, 1984 (newsprint was exempt from the 4.1% increase under X-084).

Truck Rates

The level of truck rate increases from, to, and within the Atlantic Provinces during the year under review was significantly reduced as compared to previous years due to the general economic slowdown experienced throughout North America and the influence of the federal 6/5 guidelines. The following table outlines the general rate increases for those highway common carriers who are members of tariff bureaux.

TABLE SHOWING TARIFF BUREAUX TRUCK RATE INCREASES

<u>Date</u>	<u>Application</u>	<u>Increase</u>
<u>Between The Maritime Provinces And Ontario</u>		
July 11, 1983	All Rates	5.0% (1)
<u>Between The Maritime Provinces And Quebec</u>		
July 1, 1983	All Rates	5.0%
<u>From Quebec To Newfoundland</u>		
April 29, 1983	Class & FAK	9.0%
<u>Within The Maritime Provinces</u>		
December 1, 1983	FAK Rates	5.0%
January 1, 1984	Commodity Rates	5.0%
<u>Between Newfoundland And Maritime Provinces</u>		
April 1, 1983	Class Rates All Other Rates	E/B 6.0% 2.0%
<u>Within The Province Of Newfoundland</u>		
April 1, 1983	All Rates	5.0%
October 1, 1983	All Rates	3.0% (2)

The above table outlines the general rate increases for which exceptions were made for certain commodities and carriers.

References:

E/B - Eastbound

FAK - Freight All Kinds

(1) - FAK and volume incentive rates over 10,000 lbs. not subject to this increase.

(2) - Increase in rates up to 39,999 lbs. only.

Maritime-Ontario Freight Lines, a major carrier operating between the Maritime Provinces and Ontario, is not a member of a tariff bureau. This carrier increased its class and freight all kinds rates by 5.0% effective June 4, 1983, but did not apply a general commodity rate increase during the period under review.

On February 27, 1984, the member carriers of the Quebec Tariff Bureau eliminated their fuel surcharge of 1.0% for less-than-truckload and 2.0% for truckload rates between the Atlantic Provinces and Quebec. This charge is now incorporated into the rate structure of the tariff.

The through truck rates between the Maritime Provinces and the U.S. New England and Middle Atlantic territories, as published by the two major tariff bureaux, were increased as follows:

<u>DATE</u>	<u>NEW ENGLAND</u>		<u>MIDDLE ATLANTIC</u>	
	<u>LTL</u>	<u>TL</u>	<u>LTL</u>	<u>TL</u>
April 1, 1983	5.0% - 8.0%	8.0%	4.0%	4.0%

Additional increases ranging from 2.5% to 8.0% were announced to become effective early in April, 1984.

On July 31, 1983, the Middle Atlantic Conference Tariff Bureau amended its class rates by increasing rates for 500 lbs. or less by 2.0% to 9.0% and reducing rates for 2,000 lbs. and 10,000 lbs. by 5.0% and 15.0% respectively. On December 5, 1983, this tariff bureau amended its class rate structure by cancelling the rates on shipments of 10,000 lbs. and over and replacing them with a new revised scale of rates on 20,000 lbs. and 36,000 lbs. This action was the result of a decision by the U.S. Interstate Commerce Commission in March, 1983, ordering a substantial modification of the motor carrier industry's system of classifying freight for rate-making purposes. While this restructuring resulted in increases in some rates and reductions in others, it had a negligible effect on overall carrier revenue. At the end of the year in review, the New England Motor Carrier Tariff Bureau had also announced a restructuring of its class rates to become effective early in April, 1984.

During the year under review, a number of highway carriers operating between Eastern Canada and the United States published class rate discounts generally ranging from 10% to 25% applying on both less-than-truckload and truckload shipments, with the preponderance applying on less-than-truckload quantities.

Pool Car And Domestic Water Rates

The pool car operators providing freight services from Ontario and Quebec to the Maritime Provinces increased their rates and charges by generally 5.0% effective January 2, 1984.

Atlantic Container Express, Inc., providing a domestic water freight service between Montreal, Que., and St. John's, Nfld., and Atlantic Searoute Limited, providing a domestic water freight service between Halifax, N.S., and St. John's, Nfld., do not file public rates and, therefore, a history of these two carrier's rate activity for the period under review is not publicly available.

ATLANTIC REGION FREIGHT ASSISTANCE

Payments under the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act for the year 1983 were approximately \$62 million, representing a drop of close to \$6 million or about 9% from the previous year. Details of the payments for the past two years are as follows:

**TABLE SHOWING PAYMENTS UNDER
THE ATLANTIC REGION FREIGHT ASSISTANCE PROGRAMS**

($\$X'000$)

<u>Calendar Year</u>	<u>Rail</u>	<u>Truck</u>	<u>Water</u>	<u>Total</u>
<u>Intra-Regional</u>				
1983	6,309	21,543	416	28,268
1982	8,394	30,453	381	39,228
<u>Westbound-Basic</u>				
1983	11,548	13,366	-	24,914
1982	9,546	11,414	-	20,960
<u>Westbound-Selective</u>				
1983	4,300	4,208	-	8,508
1982	3,257	3,958	-	7,215

<u>Calendar Year</u>	<u>Rail</u>	<u>Truck</u>	<u>Water</u>	<u>Total</u>
<u>Total Payments - Intra-Regional & Westbound</u>				
1983	22,157	39,117	416	61,690
1982	21,197	45,825	381	67,403
Change	+960 +4.5%	-6,708 -14.6%	+35 +9.2%	-5,713 -8.5%

Source: Canadian Transport Commission

The table reveals that the decrease in subsidy payments last year, which is a reversal of past trends, relates to the intra regional payments where the decrease was actually \$11 million (\$2 million for rail and \$9 million for truck). This was partly offset by an increase in westbound subsidy payments of \$5 million. The decrease in the intra subsidy payments is attributable to reductions in the level of assistance for individual movements from 15% to 12½% effective April 1, 1982, and from 12½% to 10% on April 1, 1983. Part of the reduction in the intra regional payments would also be attributable to the minimum billing threshold of \$10 increasing to \$50 effective April 1, 1982. (There is a time lag between the effective date of the change in subsidy levels and actual payments to account for the time for processing by both carriers and administrators of the subsidy program.) The reductions in the level of assistance for intra regional movements were included as part of agreements for joint transportation planning between the federal and Atlantic provincial governments, including major funding for a highway strengthening program begun in the spring of 1982.

Review of the MFRA/ARFAA Program

In March of 1983, Transport Canada, Systems Planning Directorate, awarded a contract to Hickling Partners Inc. of Ottawa (now known as James F. Hickling Management Consultants Ltd.) to undertake an industry impact analysis of complete or partial removal of the MFRA/ARFAA subsidy program. This was phase two of a three phase analytical review of the program. Phase one, completed in May, 1983, consisted of an extensive data base identifying commodity movements under the MRFA/ARFAA program by province of origin and destination. Phase three, consisting of "policy options for change", was to have been completed by Transport Canada in November, 1983, following completion of phase two by the Hickling firm. The APTC viewed the study's terms of reference as holding the potential for a report which could recommend further reductions or total elimination of the program.

In response to the initiative of Transport Canada to conduct a study of the assistance program, the APTC undertook:

- (a) a public awareness program;
- (b) interface with governments;
- (c) to assist industry and trade groups in assessing the potential impact of subsidy removal; and,
- (d) a submission to the study group.

Through material in "Tips & Topics", news releases, meetings with trade groups, meetings with individual industries, meetings with provincial governments, meetings with federal Members of Parliament, and many hundreds of telephone conversations, the importance of the assistance program was stressed. As a result of these efforts by the APTC, the consultant and the federal government received a clear and unanimous message that any further reduction in the assistance program would have serious economic consequences for Atlantic Canada.

The completed study was released to the public in late September, 1983, to coincide with the announcement of the Honourable Lloyd Axworthy that ". . . the study clearly illustrates that the subsidy program is one of the more important and efficient means of promoting job creation, economic development and regional export markets . . ." The Minister clearly indicated that he did not intend to change the freight assistance program unless requested to do so by ". . . the people of Atlantic Canada". He invited the business community to carefully analyze the study's findings and consider how the subsidy could be made more effective to further strengthen the region's economic base. To this end, after a detailed analysis of the "Hickling" report, the APTC organized meetings of regional trade associations with the objective of coordinating and unifying a regional response to the study and the Minister's invitation.

In February, 1984, the APTC advised Transport Minister Lloyd Axworthy, as well as a meeting of the Atlantic Liberal Caucus (convened for the purpose of receiving the views of the APTC), that, after consultations with all major industrial associations, there is unanimous agreement in the region that the program is essential to business and industry in Atlantic Canada and should be maintained without major change. However, industry groups supported the removal of used household effects under the basic westbound assistance and the use of the savings in federal funding to hold or reduce the minimum eligible billing threshold under the intra subsidy. The APTC also stressed the importance of consultation by the federal government with industry in the region on the freight assistance program and sought a continuance of such a policy.

From the meetings with the federal Minister and the Atlantic Liberal Caucus, it is apparent that no change in the program will be made at this time which would impact negatively on shippers in Atlantic Canada. In an interview with the Saint John "Telegraph-

Journal", Mr. Gary McCauley, M.P., the Chairman of the Atlantic Liberal Caucus, was quoted on February 27, 1984, as saying that:

"The minister of transport is not going to change anything unless the people say they wanted it changed. His position is that he will be guided by what the people of the region want. So far, the indication is that they want things left as they are."

In response to the APTC's request for continuing consultation with industry, the Minister advised that he views the APTC as providing ". . . a forum which is fundamentally important to ensuring that there is an ongoing dialogue on transportation matters."

The unity of the region's various interests under the leadership of the APTC has proven to be successful in this matter. The APTC is pleased that it was able to play a leading role in saving a program that is so vital to the region.

Eligibility of Certain Movements of Peat Moss

During the past year, there were two decisions of the Canadian Transport Commission affecting the application of the ARFAA subsidies on westbound shipments of peat moss originating in the so-called Select Territory.

The first was a decision of the CTC Review Committee in August, 1983, to the effect that shipments of peat moss by rail or rail piggyback from New Brunswick and other Select Territory points to destinations in Canada, including Canada/USA border points, are entitled to the application of the Atlantic Region Selective Assistance Regulations (ARSAR), even if the majority of such shipments eventually find their way into the United States. This decision overturned an earlier decision of the Motor Vehicle Transport Committee (MVTC).

The review was in response to an application by Canadian National Railways which was supported by Canadian Pacific Limited, Fisons Western Corporation and Fafard Peat Moss Co. Ltd. The earlier decision of the MVTC (dated June 9, 1982) based its findings on the non-application of the subsidy on goods, ". . . that are exported from Canada . . .", and concluded that the transportation of peat moss to Canada/USA border points and subsequently exported to the US falls under this exception. That decision also ordered the railways to reimburse the Government of Canada for any monies already paid by them as subsidy in respect to the movement at issue and pursuant to the ARSAR, 1974.

In its decision, the Review Committee noted that, while the majority of the shipments of peat moss from the Select Territory eventually find their way into the United States, it is not possible to tell at the time of shipment from Select Territory or

even in the course of any year exactly what percentage of peat moss produced by one shipper will be exported to the United States in that year. For this reason and others outlined in its decision, the Review Committee concluded that, ". . . when read as a whole the Act and Regulations contemplate payment of subsidy based on shipping documents reflecting the state of affairs at the time of shipment or shortly thereafter and that in the circumstances the subsidy was properly payable." The decision of the Review Committee rescinds the decision of the MVTC.

The second decision affecting peat moss was made by the MVTC stemming from a public hearing in Riviere du Loup, Que., in January, 1984, into the eligibility of subsidy for certain movements of peat moss pursuant to the Atlantic Region Freight Assistance Regulations as claimed by Transport Morneau Inc. The hearing also considered the application of subsidies to materials that are transported from the Atlantic Region (select territory) to border points in Canada with a final destination in the United States.

The CTC decision became necessary because the assistance program does not apply on the transportation of goods to the United States and the question arose as to whether the transportation of goods solely within Canada but where such goods are subsequently reshipped to points in the United States are eligible for the freight assistance.

Earlier decisions (1980 and 1982) of the CTC concluded that rail and railway piggyback shipments of peat moss to storage points in Canada are eligible for assistance even though the product may eventually find its way into the United States.

In an abbreviated decision, with a more detailed decision to follow, the MVTC decided that the transportation of material by Transport Morneau Inc. originating in the Select Territory and destined to points in Canada outside the Select Territory is eligible for the ARFAA subsidies. At the conclusion of the year, the official decision on this application had still not been issued.

MOTOR CARRIER REGULATORY REFORM

The general trend towards deregulation, including further examination of the need for regulatory reform in the field of motor carrier services in Canada, again received considerable attention by the media, shippers and regulators during the past year.

In the Atlantic Provinces, action was instituted in two provinces to examine and review motor carrier regulations and particularly as they relate to ease of entry and the present requirement of establishing public necessity and convenience. In

the fall of 1983, the Government of Newfoundland and Labrador established a three-person committee to review these areas among other features of the Newfoundland Motor Carrier Act. At the request of the Committee, the APTC undertook some background analytical work to establish the present size of the motor carrier industry, as well as other basic information required for the review. In addition, the APTC appeared at the hearing held in Grand Falls, Nfld., on November 1, 1983, and submitted specific recommendations for changes in the motor carrier regulations with the objective of facilitating easier entry into the motor carrier field to ensure keen competition between carriers and modes in the Atlantic Provinces. The submission of the APTC closely followed the position adopted previously by the APTC Directors in 1982 (i.e., simplification of licensing procedures and greater uniformity between the Atlantic Provinces; licenses to be granted without a hearing if no objections are filed; additional exempted commodities; contract licenses to be issued automatically, with no limit to the number which may be issued to any one carrier; and, clarification and uniformity of application of provisions governing leasing and renting of vehicles). Public hearings were completed in 1983 and the Review Committee completed and presented its report to the Newfoundland Minister of Transportation during the latter part of March, 1984. The report had not been made public at the conclusion of the year under review.

The Province of Prince Edward Island, under the direction of the Public Utilities Commission, undertook a review of the regulations governing motor carriers operating in that province. Key areas considered were ease of entry, along with commodity and vehicle exemptions. Public hearings were held in January, 1984, at which time the APTC appeared in support of regulatory reforms similar to those submitted previously to Newfoundland. At the conclusion of the year, the Public Utilities Commission had not completed its review but it is understood that a report will be issued early in the coming year.

There were no developments during the past year concerning the report of the Nova Scotia Motor Carrier Act Review Committee. The completed report of the Committee had been submitted to the Nova Scotia Cabinet early in 1983 but the contents had still not been made public at the conclusion of the year under review. In the fall of 1982, the Council of Maritime Premiers commenced a review of not only motor carrier regulations but also motor vehicle and fuel tax regulations. A preliminary report on the subject was tabled at a meeting of the Council in the summer of 1983 and was referred to the Maritime Provinces Transportation Committee (a committee of the Council). The report of the Council has not been made public and there were no further announcements of the Council's work in this area.

The several reviews of motor carrier legislation and regulations being undertaken in the Atlantic Provinces are part of a national trend where most provinces are involved in such a process - all of which follows a major degree of deregulation of

the trucking industry in the United States. Probably the most extensive review in Canada was undertaken by the Province of Ontario which brought forth a final report in June, 1983, containing recommendations for reform of the Ontario Public Commerical Vehicle Legislation. In terms of ease of entry, the report recommends major changes designed to remove many restrictions and simplify the entry test to make it more objective. The Ontario government has accepted the review committee's recommendations and, at the conclusion of the year under review, legislative changes were in the process of being introduced as a first step to implementing recommended reforms before the end of 1985.

During the latter part of 1983, the Province of Quebec instituted certain amendments to its Transport Act to implement changes in regulations governing private trucking and leasing. The inclusion of a definition of private carriage in the regulations appears to be designed to clarify and remove some uncertainties existing under the former legislation. In a broader context, the Quebec Minister of Transport, as a follow-up to the Quebec government's participation in a Consultation Symposium on Highway Transportation of Goods, announced during the past year a series of "commitments" for regulatory changes designed to promote the development of an efficient and dependable system of transportation. Among the specific measures included as part of the "commitments" are - all highway licenses, except for contract licenses, will include automatic right of reversion; liberalization of contract licenses, including placing the burden of proof on opposing parties; establish a better framework for the role of truck brokers; greater flexibility in the filing of rates; and, simplification of the licensing structure.

RAILWAY ABANDONMENTS

There were a number of applications by the railways to abandon portions of their rail lines in the Atlantic Provinces in the past year. As well, the Railway Transport Committee (RTC) of the Canadian Transport Commission held a number of public hearings and issued several decisions and orders on applications which had been filed in previous years. A summary of these activities during 1983-84 follows:

New Brunswick

Applications were filed for the abandonment of the following CN Rail subdivisions in 1983. No public hearings have been held or decisions made on any of these lines as of March 31, 1984.

Caraquet Subdivision - Between Gloucester Junction, N.B., and Tracadie, N.B., including the Shippagan Spur, a distance of 72.04 miles.

Loggieville Subdivision - Between Chatham, N.B., and Loggieville, N.B., a distance of 3.99 miles.

Miramichi Subdivision - Between Derby Junction, N.B., and McGivney, N.B., a distance of 74.75 miles.

Oromocto Subdivision - Between Westfield Beach, N.B., and Oromocto, N.B., a distance of 55.40 miles.

An application was made by CN Rail to abandon the Minto Spur in Minto, N.B., and this application was granted by the RTC. Hearings were held in St. Quentin, N.B., into the application to abandon the St. Quentin Subdivision in Northeast New Brunswick. No decision has been announced as yet. Decisions were announced on two branch lines in New Brunswick. Following public hearings a year earlier, the Centreville Subdivision was ordered maintained in the public interest, subject to a review after one year. The Shore Line Subdivision of CP Rail was ordered abandoned from Lepreau, N.B., to St. George, N.B., (a distance of 20.10 miles) as a result of a statutory review of an earlier decision after five years. A decision on the Richibucto Subdivision is still pending following public hearings in 1982.

Nova Scotia

Public hearings were held in Middleton in September, 1983, into CN Rail's application to abandon the Middleton Subdivision between Bridgewater, N.S., and Bridgetown, N.S., a distance of 66.84 miles. No decision has been announced on this application. A decision is also pending on the application to abandon the Oxford Subdivision for which hearings were held in 1982. The Caledonia Subdivision from Caledonia Junction, N.S., to Caledonia, N.S., was ordered abandoned by the RTC as a result of the statutory review of an earlier decision.

Prince Edward Island

Applications have been filed by CN Rail for the abandonment of the Kensington Subdivision between Linkletter, P.E.I., and Tignish, P.E.I., a distance of 65.16 miles; also for the Souris Subdivision between Royalty Junction and Souris, a distance of 55.02 miles. There have been no public hearings or decisions on these applications.

Newfoundland

Public hearings were held in July of 1983 on applications by CN Rail to abandon the operation of the Bonavista Subdivision (87.89 miles) and the Argentia Subdivision (20.65 miles). At the same time, hearings were held concerning an application by the railway to discontinue passenger train service over these branch lines. No decision or order has been announced concerning any of these applications.

Also during the year, CN Rail was authorized by the RTC to remove a number of station buildings and station agents at various points in the Atlantic Provinces. These included 26 stations and 36 agents in Newfoundland, 2 stations and 7 agents in New Brunswick, and 2 stations and 3 agents in Nova Scotia.

SHIPPING POLICY

The announcement early in 1983 of new policies in respect of coastal shipping and control over offshore activities effectively closed the Canadian coastal trade to non-Canadian ships except under waiver provisions granted by the Canadian Transport Commission even though legislation to amend the Canada Shipping Act to eliminate the provisions which permitted British ships to trade in Canadian coastal waters had not been introduced into Parliament at the close of the year covered by this report. The extension of the Canadian customs and excise laws to goods, including vessels, used in exploration and development on Canada's Continental Shelf has been implemented by a ways and means motion of Parliament, pending passage of the Customs and Excise Offshore Application Act.

During the year, Transport Canada completed and released a discussion paper entitled "Canadian Deep-Sea Shipping Policy - Meeting New Challenges". The paper proposes a policy which would provide for,

- the encouragement of greater participation by Canadians in the industry;
- a strategy to develop a core fleet around which future expansion could occur;
- the provision for development of ship management centres in Canada; and,
- the protection of legitimate Canadian commercial interests from actions of foreign governments.

In the Throne Speech of December 7, 1983, the government indicated that it intends to appoint a task force on "a deep sea fleet". At the APTC Directors' meeting on February 8, 1984, the Directors approved a communication to the Honourable Lloyd Axworthy asking that, in appointing such a task force, its mandate specifically include the impact of such a fleet upon exporters and importers and that a representative of the exporting/importing community from the Atlantic Provinces be appointed to the task force.

On February 17, 1984, the Federal Minister of Transport confirmed that the mandate of the task force would include the impact of a deep sea fleet on exporters and importers. He invited

the APTC to submit suggestions of persons from whom he could choose a member representing this region for the task force. The APTC has submitted several names to the Minister. At year end, the task force had not been appointed.

SHIPPING CONFERENCES EXEMPTION ACT

The Shipping Conferences Exemption Act of 1979 provides qualified exemption for certain shipping conferences' practices from the provisions of the Combines Investigation Act. This Act carried an expiry date of March 31, 1984, unless further extended by proclamation.

In 1982, the Canadian Transport Commission held five public hearings across Canada to secure views on the Act and a report was issued early in 1983 which called for the extension of the current Act with some modification.

During 1983, further consultation was held between the Canadian Shippers' Council, of which the APTC is a member, and a federal inter-departmental committee which was developing the policy to be followed by the federal government on the future of the Act.

On March 26, 1984, the federal government announced that the Act has been extended for one year by Order-in-Council. In addition, on March 27, 1984, Bill S-12 was introduced in the Senate to amend certain provisions of the Shipping Conferences Exemption Act.

Included among the more consequential amendments to the Shipping Conferences Exemption Act found in Bill S-12 that may be of interest to Atlantic Provinces exporters are:

1. Member lines of the conferences would be permitted to take independent action in respect of rates, etc.
2. Patronage contracts would be defined as contracts between a shipper of goods and the members of the conference whereby, pursuant to negotiations between the shipper and members of the conference, the shipper agrees to confine all goods or a portion only of his goods to carriage by the members of the conference. References to negotiation and the introduction of the words "portion only" are new.
3. Shippers or conference may request the assistance of a conciliator where the shippers and the conference members have been unable to reach agreement. The conciliator may be requested from within the CTC or from outside the CTC.

4. The scope of investigation by the CTC under Section 23 of the National Transportation Act of contracts, agreements and arrangements of the conferences appears to be broadened and clarified.
5. Conferences are required to give ninety days notice of rate changes, other than surcharges where fourteen days notice are required.
6. The CTC is given more power to investigate and set aside any contract, agreement or arrangement of a conference which is likely to be prejudicial to the public interest and ocean carriers may lose their exemption from the Combines Act if they are found to be transporting goods at rates which would have the effect or tendency of substantially lessening competition or eliminating a competitor.

It is expected that Bill S-12 will be referred to the Senate Transport Committee and consideration will be given by the APTC as to an appearance before that Committee to make its position on the legislation known.

COMPETITION IN PRICING BETWEEN RAILWAYS IN CANADA

During the past year, Transport Canada continued an examination of the question whether provisions of the Railway Act and the Transport Act should be modified or repealed to prohibit the Canadian railways from collective rate-making. A study by Dr. Trevor Heaver of the University of British Columbia completed in 1982 suggested that only minimal change be made in the existing legislation.

The APTC attended a conference on the subject held in May, 1983, and cautioned that steps to create more competition in rail rate-making could adversely affect the Atlantic Provinces because of the limited potential for intra-rail competition in Atlantic Canada. The APTC urged that more joint rates and running rights arrangements should be implemented to bring about more intra-rail competition in this part of Canada. There was a wide and sharp divergence of views expressed on the Heaver report at the May conference - even to the extent of distinctly opposing positions from companies producing the same product in the same city in Ontario.

A critique of the Heaver study was distributed to interested parties and further representations invited by Transport Canada. The APTC filed a further submission with Transport Canada on November 30, 1983, which followed the position taken in its earlier brief. Most pulp and paper companies with operations in the

Atlantic Provinces joined with numerous other pulp and paper companies throughout Canada in filing a submission opposed to any major changes in the existing legislation.

At year end, no further developments have occurred.

CTC INQUIRY INTO RAILWAY INTERSWITCHING REGULATIONS

In June, 1983, the Canadian Transport Commission announced its intentions to undertake an inquiry into the regulations affecting freight traffic interswitched between railways under CTC jurisdiction.

In undertaking the inquiry, the CTC stated that an increasing number of complaints were being received by the Commission concerning the effects of General Order T-12 and the CTC concluded that the interests of the Canadian public will be best served if the widest possible range of views are considered.

Interswitching is the movement of a rail car from or to the tracks of the line haul railway company to or from the tracks of the delivering or originating railway company at points where track connections between the two railways exist. (At some points, interswitching may take place over intermediate railway company tracks.)

Charges for interswitching service and regulations governing the provision of this service have been prescribed by the CTC. These have remained largely unchanged since 1918. The current interswitching charges and regulations are found in CTC General Order T-12 which prescribe the maximum interswitching charges for distances not exceeding four miles.

Where interswitching services are required to service industries located in excess of four miles from the interchange point, the railways on occasion have published special interswitching charges for such traffic. In the Atlantic Provinces, special interswitching charges have been published at Saint John, N.B., and Halifax and Truro, N.S.

Section 8 of General Order T-12 permits the line haul railway to absorb generally not less than one-half of the authorized interswitching charge for distances not exceeding four miles. Since 1967, the railways' practice has been to absorb all of the interswitching charges where distances do not exceed four miles. No absorption of interswitching charges is authorized nor made by the railways where distances exceed four miles.

The APTC circularized companies in the Atlantic Provinces and filed a notice with the CTC indicating its interest in the inquiry. In that notice, the APTC noted that, because of the limited number

of points in the Atlantic Provinces where interchange between the two major railways occurs, the availability of interswitching services in the Atlantic Provinces is limited. At the same time, Atlantic Provinces companies using rail service to ship products to markets or to receive supplies from sources outside this region may be affected by any changes in interswitching services or charges and have an interest in the inquiry.

The APTC drew the CTC's attention to the CTC research paper "Competition & Regulation in the Railway Freight Industry" which suggested that improved interswitching provisions and greater use of running rights represents the potential for an increase in competition. The APTC concluded that the interswitching inquiry could provide a means to expand the benefits of competition.

The CTC notice of the inquiry indicated that a preliminary report will be prepared. At year end, that report has not been released.

CTC INVESTIGATION OF U.S. STAGGERS RAIL ACT ON CANADA

On July 22, 1983, the Canadian Transport Commission announced that, as a result of directions from the Federal Minister of Transport, it was commencing an inquiry into the known effects and implications for Canadian railways and shippers of the deregulation of United States railroads under the Staggers Rail Act of 1980.

Under the Staggers Act, U.S. railroads are permitted to make rebates to shippers or receivers without the necessity of publishing the amount of such rebates. Through this rebate provision, the U.S. railroads are able to attract traffic from traditional routings to routings which will give the U.S. lines the longer haul. It is also possible for U.S. suppliers to secure lower rates through the rebate provision, thereby displacing Canadian suppliers.

The APTC circulated the terms of reference of the CTC inquiry and sought input from Atlantic Provinces companies. It met with officials of the CTC and on December 9, 1983, filed a position with the CTC. In that paper, the APTC concluded that Canada would have little chance of changing United States law to remove the unequal regulatory requirements affecting Canadian railways and shippers in relation to their U.S. counterparts. Consequently, the APTC suggested that, for southbound shipments from Canada to the United States, the Canadian railways be permitted to enter into confidential contract rates.

The CTC plans to prepare a preliminary report of its investigation. At year end, that report has not been released.

FREIGHT RATES AND SERVICES TO NEWFOUNDLAND

During the past two years rail and marine services between the mainland and Newfoundland have undergone major changes. In the case of marine services from Montreal and Halifax, there were changes in ownership as well as a shift to greater use of containers, among other operational changes. In the case of the railway operations serving Newfoundland, as part of a \$67 million revitalization program funded by the federal government, the use of conventional rail service is being replaced by a rail container service. At the conclusion of the year, approximately 60% of rail traffic between the mainland and Newfoundland is now moved in containers.

ACE Complaint

During 1983, there were three interim orders of the Railway Transport Committee issued disallowing certain container rates of TerraTransport as non-compensatory and not in accordance with Section 276 of the Railway Act. This resulted from an investigation under Section 48 of the National Transportation Act requested by the Minister of Transport following a complaint by Atlantic Container Express (ACE). Among the rates disallowed, for which TerraTransport was directed to file new (higher) rates, were a few rates from points in the Maritime Provinces covering liquor, glass bottles, sugar and petroleum products.

Questions left outstanding at year end in relation to the ACE complaint pertain to the costing methodology used to determine variable costs for rail container movements. In addition, it has been stated in the press that ACE has applied to the federal government for financial assistance in order to stay in business and compete with the subsidized TerraTransport service, although there was no official announcement of the payment of assistance at the conclusion of the past year.

Evaluation of Newfoundland Transportation

During the latter part of 1983, Transport Canada contracted two studies to the firm of ADI Limited of Fredericton, N.B., to be undertaken as part of an overall evaluation of Newfoundland transportation. The first of these is a preliminary evaluation of the rail container services (Newfoundland Testing and Evaluation Program), with the following objectives:

1. To assess the efficiency of the new containerized railway system.
2. To assess the impact of the Program (i.e., the \$67 million revitalization program) on other transportation modes/carriers.

3. To assess the effectiveness of the railway Testing and Evaluation Program in achieving the government goal of a more cost-effective railway system in Newfoundland with an improved level of service.

The second study is entitled the "Modal Roles Assessment: Newfoundland Inter Provincial Freight". The purpose of this study is to suggest the most cost-effective role for each mode and to develop a strategy for realizing these roles in the provision of services to 1991. Specific objectives include:

- i) To assess the trends and future prospects for the direct water, rail/ferry/rail/truck and truck/ferry/truck modes in the provision of inter-provincial freight services to 1991;
- ii) To develop overall costs and levels of service to private parties for a set of inter-provincial freight system options aimed at improving system cost-effectiveness;
- iii) To propose changes to modal roles to improve overall cost-effectiveness.

Both the preliminary evaluation of the rail container service and the modal roles assessment are to be completed early in 1984, although at year end there were no announcements of the results of these studies.

In the short time available from the time of the commencement of the preliminary evaluation of the rail container services study, the APTC undertook a limited survey of Maritime companies selling in the Newfoundland market to obtain input and submitted the results to the study consultants. Subject to a few exceptions where concerns were expressed relative to both cost and service, the overall results of the survey showed a very positive attitude by Maritime shippers to the rail container services. However, the consultants were apprised of two key areas of concern, namely: (1) the unfavourable competitive relationship in transportation costs as between Maritime Provinces shippers and Central Canadian shippers in the Newfoundland market; and (2) the extreme (actual or potential) increases for goods of a particularly bulky nature stemming from the transition from the use of boxcars to containers.

Rail Rates on Grain and Flour

In June of 1983, CN Rail increased certain rail rates on feed grains and flour from Armstrong and Thunder Bay, Ont., to Newfoundland on the grounds that the former rates were found to be non-compensatory and in conflict with Section 276 of the Railway Act. These increases were far in excess of corresponding increases for similar movements to points in the Maritime mainland where the price guidelines were being followed. In response to this action, the Government of Newfoundland and Labrador filed an application with the Canadian Transport Commission under Section 23 of the

National Transportation Act seeking to have the increases rescinded on the grounds they are in contravention to the Terms of Union between Canada and Newfoundland. In the decision of the Railway Transport Committee, the Newfoundland government was denied leave to appeal the railway's action for the primary reason stated in the decision that the railway was complying with the statutory requirements and that the Terms of Union do not exclude any rates from the provisions of the Railway Act. In February, 1984, the Newfoundland government submitted an application for a review of the RTC decision to the Canadian Transport Commission, as well as an application to the Federal Court of Appeal, seeking to have the RTC decision set aside. At the conclusion of the year, there were no decisions in response to either appeal.

MACDONALD COMMISSION

The APTC made a submission on October 11, 1983, to the Royal Commission on the Economic Union and Development Prospects for Canada (MacDonald Commission) at its public hearings in Halifax, N.S. The role of the Royal Commission is to examine the broad economic and political structure as they affect development in Canada. The APTC, in its submission, limited its presentation to transportation matters affecting the region. The following summarizes the position of the APTC presentation to the MacDonald Commission.

- (a) Transportation is an essential element to the economic development of the Atlantic Provinces.
- (b) Transportation assistance as provided under the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act is vital to offsetting transportation disadvantage of an Atlantic Provinces' location.
- (c) Transportation assistance as provided under the MFRA/ARFAA should be considered as an economic development tool for the Atlantic Provinces.
- (d) The program governing the provision of transportation assistance to the Atlantic Provinces should continue to be flexible so that increased levels of assistance may be provided as necessary.
- (e) Federal funding to be provided to assist the governments of the Atlantic Provinces for the provision of vital transportation facilities which are beyond the resources of the provincial governments.
- (f) Public policy must be such as will ensure that Atlantic Region producers are able to compete effectively in export markets.

- (g) The policy of cost recovery through user fees should not be imposed upon the Atlantic Provinces to the extent that it constrains trade or economic development.
- (h) Federal funding in response to constitutional obligations should be separate from funding of discretionary programs.

SERVICE TO INDUSTRY

The primary objective of the APTC is to assist business and industry in the Atlantic Provinces to become more competitive in the marketplace insofar as transportation costs and services are concerned. Much of the work done by the APTC is of a very specific nature and, because of that, confidential. It is not possible to provide detailed coverage of those activities in this report. However, to provide an indication of the range of matters that have been dealt with, the following information is provided.

An extensive analysis of inbound and outbound transportation costs was provided to a Nova Scotia **textile** manufacturer. Assistance in rate negotiations with carriers was also provided to this firm.

In response to an inquiry from the Freight Audit Service, a detailed analysis of inbound and outbound traffic patterns and costs was completed for a Prince Edward Island manufacturer of **fish processing equipment**.

A New Brunswick **packaging** manufacturer was provided with an analysis of outbound transportation costs for the distribution of its products within the Maritimes.

A Newfoundland **utility** was provided with a detailed study of its shipping and receiving practices and transportation costs and methods.

A Prince Edward Island manufacturer of **doors and windows** received an analysis of methods and costs of transporting its products to Newfoundland as a result of a request from Freight Audit Service.

A manufacturer of **high technology components** in New Brunswick was assisted with the classification of its products and with mode selection and routings for traffic destined to the United States.

A Nova Scotia **fertilizer** manufacturer was assisted with the clarification of rates and routings on a large shipment of raw materials from Western Canada.

A New Brunswick manufacturer of **store fixtures** was provided with an analysis of inbound and outbound freight rates.

A Prince Edward Island **fertilizer** manufacturer was provided with a rate analysis and information concerning the potential for negotiating lower rates on raw materials from Western Canada. Similar analyses and information on the potential for negotiating lower rates were provided for a Nova Scotia **paper products** manufacturer and a Nova Scotia **office machine** supplier.

A comparison of inbound LTL rates and charges by various modes was completed for a Nova Scotia manufacturer of **heavy water**.

A New Brunswick manufacturer of **soil conditioners** and **mulching compounds** was assisted in determining the potential for negotiating rates for shipments of its products to the United States and to Central Canadian destinations.

A **plastic container** manufacturer in New Brunswick was provided with rate statements for the transport of its product to Newfoundland.

A Nova Scotia **food processor** was provided with a rate analysis and information concerning the potential for negotiation of lower rates for the transport of its products to Quebec and Ontario.

A number of companies throughout the region were assisted with applications to have products become eligible to receive the **selective westbound subsidy** under the Atlantic Region Freight Assistance Act.

The APTC continued to receive a number of inquiries from both industry and carriers concerning the settlement of **loss and damage claims**. The APTC is not an arbitrator in such matters but advice is provided based on past experience and knowledge, as well as the availability of technical articles and material available from the APTC library.

In response to direct requests, the APTC prepared a number of **statements showing freight rates** on a variety of commodities to and from the Atlantic Region via rail, truck, piggyback and air, or various combinations. Inquiries were also received from companies in this region seeking information on current or potential **ocean rates** for various products to and from points throughout the world.

The APTC again prepared an extensive tabulation of freight rates applicable on rail carload, truck and piggyback shipments of **potatoes** from New Brunswick and Prince Edward Island to destinations in Canada which was widely distributed to the potato industry. A similar statement is also prepared and distributed to the **peat moss** industry.

A statement of inbound **feed and feed ingredients** from Central and Western Canada was prepared and distributed to feed suppliers and individual farmers in the Maritimes. Work is in progress on the preparation of a similar statement for the **fertilizer** industry.

MEETINGS AND CONFERENCES

In addition to being a member and participating in regular meetings of Transportation Committees of the Maritime Lumber Bureau, Nova Scotia Forest Products Association and Nova Scotia Voluntary Planning, the following summarizes the APTC's participation in meetings and conferences during the past year where an address, prepared report, or a specific leadership role was involved:

<u>DATE</u>	<u>CONFERENCE/MEETING/ORGANIZATION</u>	<u>NATURE OF PARTICIPATION</u>
1983		
April 14	Maritime Farmers Council/Agriculture Canada Workshop	Panelist
April 23	Canada Packers Management Conference	Address
May 4	N.S. Voluntary Planning/CMA (Subsidy) Conference	Report
May 14	Annapolis Valley Affiliated Boards of Trade Seminar	Report
May 30	Atlantic Provinces Chamber of Commerce Annual Meeting	Report
June 1	Manufacturers Transportation (Subsidy) Conference	Address
June 2	Riverview Kinsmen Club	Address
June 2	Maritime Lumber Bureau Annual Meeting	Report
June 6	Maritime Farmers Council	Report
June 8	PICORD (Subsidy) Conference	Address
June 12	New Brunswick Mining Association	Address
September 27	Canadian Manufacturers Association Export Forum	Address
October 3	Atlantic Provinces Chamber of Commerce Directors	Report
October 17	Perth-Andover Rotary Club	Address
October 20	CMA Joint Transportation Committee Meeting	Address
October 26	Institute of Public Administrators of Canada	Address
November 3	Purchasing Management Seminar	Address
November 17	Canadian Feed Industry Assoc. Semi-Annual Meeting	Report
November 25	N.B. Potato Shippers' Assoc. Annual Meeting	Report
December 8	Dalhousie University School of Public Administrators	Resource
December 12	University of New Brunswick Transportation Group	Resource
December 16	Nova Scotia Dept. of Development Annual Meeting	Address
1984		
January 5	CITS Computer Demonstration	Organizer
January 17	Purchasing Management Assoc. - N.B. District	Address
February 2	Nova Scotia Forest Products Assoc. Annual Meeting	Report
February 21	Purchasing Management Assoc. - Northeast N.B. District	Address
February 28	Traffic Club of Halifax-Dartmouth	Address
March 2	AVABT Transportation Committee	Report

OTHER ACTIVITIES

During the past year almost 8,600 **Rate Advices** were issued by the APTC. These notices are designed to advise companies in the Atlantic Region of rate changes being made by various carriers that are of direct or indirect interest to this region's manufacturers and producers.

Five circular letters covering a number of subjects were directed to a specific industry or industry group during the year under review. **Tips and Topics**, the APTC newsletter continued to be published monthly during the past year with a circulation of approximately 3,300 copies.

The eighth edition of the APTC **Directory of Ocean Container-ship Services Between Halifax - Saint John and World Ports** was published in September, 1983. This directory provides a useful and handy reference for Atlantic Provinces' exporters and importers, as well as a promotional tool to encourage the movement of traffic through the Atlantic ports.

The **Highway Overhead Clearances** booklet, issued by the APTC in co-operation with the provincial Departments of Transportation, was reissued during the year covered in this report.

During the year, the APTC was called upon for assistance by provincial government departments and other industrial development agencies for transportation information for new or expanded industrial plants. Approximately twenty-six of these inquiries were dealt with during the past year.

Close association has been maintained by the APTC during the year with a number of organizations, both within and outside the Atlantic Region. Specifically, a close liaison has been maintained with the Atlantic Provinces Chamber of Commerce, the Atlantic Division of the Canadian Industrial Traffic League, the Atlantic branches of the Canadian Manufacturers' Association, the New Brunswick Potato Shippers' Association and the Prince Edward Island Potato Marketing Board. The APTC is represented on the Transportation Committees of the Annapolis Valley Affiliated Boards of Trade, the Canadian Feed Industry Association (Atlantic Division), the Maritime Lumber Bureau, the New Brunswick Trade Development Board, the Nova Scotia Forest Products Association, and the Voluntary Planning Group of Nova Scotia.

The APTC has maintained membership in such groups as the Atlantic Provinces Economic Council, the Canadian Association of Physical Distribution Management, the Canadian Transportation Research Forum, the Canadian Shippers' Council, and the Greater Moncton Chamber of Commerce. The General Manager of the APTC serves as Secretary of the Canadian Transportation Research Forum, is a member of the Canadian Chamber of Commerce Transportation Committee, and was recently elected Chairman of the Working Group on Tariff Conversion of the Metric Commission. The Chairman of the APTC serves as a Director of the Atlantic Provinces Chamber of Commerce.

DIRECTORS

On October 6, 1983, the Honourary Chairman of the APTC, Dr. A. Murray MacKay of Halifax died at the age of 97. Dr. MacKay was first appointed to the APTC Board of Directors in 1950 and was soon named Vice-Chairman. In May, 1954, he was elected Chairman and served in that capacity until June, 1963. At that time, in honour and in recognition of his service as Chairman and his dedication to the APTC, the Directors of the APTC bestowed upon Dr. MacKay the title of Honourary Chairman. Dr. MacKay maintained his interest in the APTC, having attended a meeting of the Directors as recently as February, 1980, just prior to his 94th birthday. Dr. MacKay made a significant contribution to the work of the APTC during his term as a Director and Chairman.

During 1983, Don MacKenzie of O'Leary, P.E.I., retired from the APTC Board of Directors. Mr. MacKenzie served as a representative of the Atlantic Provinces Chamber of Commerce for the past eight years; two of which were as a member of the APTC Executive Committee. After eleven years as a Director of the APTC representing the government of Nova Scotia, L. J. Hayes, Q.C., of Halifax, N.S., resigned. To both Don MacKenzie and Larry Hayes, the thanks and appreciation of the Directors and staff is extended for their faithful contribution to the direction of the APTC.

Replacing Don MacKenzie as an APCC representative on the Board of Directors is Norman Clarey of Montague, P.E.I., who is a past Chairman of the P.E.I. Potato Marketing Board. George Cooper, Q.C., of Halifax, N.S., has been appointed by the Province of Nova Scotia to replace Mr. Hayes.

At the APTC annual meeting on May 26, 1983, Elwood L. Dillman completed three years as Chairman of the APTC and declined nomination for another term as Chairman. Mr. Dillman gave generously of his time and abilities in guiding the APTC during some extremely important and crucial matters. To Mr. Dillman, the Directors and staff express their thanks and appreciation for his leadership.

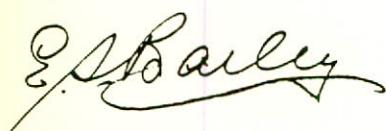
ACKNOWLEDGMENTS

The year 1983 saw a particularly heavy workload on APTC staff as the APTC became the focal point for industry, trade groups, government departments and agencies to develop their position on the Atlantic Region Freight Assistance Act program for submission to the federally appointed consultant examining that program. The APTC staff carried out this heavy workload with diligence, dedication and thoroughness. Their efforts were in no small measure responsible for enabling the region's many interests to acquaint the consultant and governments with the importance of the program for the economic development and growth of this region. Such unanimity assisted the consultant in seeing the value of the program and enabled the federal Minister to support its continuation. In short, the efforts of the staff played a major role in saving this vital program. To them, the Chairman and General Manager express their thanks not only on behalf of the Directors but on behalf of industry generally throughout the region.

The support and dedication of the APTC Board of Directors was most encouraging to the Chairman, General Manager and staff during the year, particularly in respect of the heavy involvement of the Directors in the freight assistance program study. To the Directors, the Chairman and General Manager express their sincere thanks.

The co-operation which the APTC receives from carriers is greatly appreciated. Such co-operation is mutually beneficial and the thanks of the Directors and staff goes to the carriers and their agencies. The APTC's work also involves contact with government officials at both the federal and provincial levels. The Chairman and General Manager express to those government officials with whom it deals thanks for their help and the cordial relations which have existed this past year.

All of which is respectfully submitted.



E. S. Bailey
Chairman



Craig S. Dickson
General Manager

