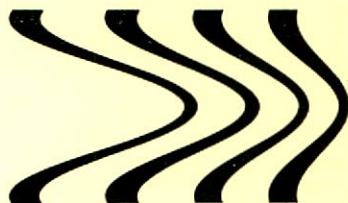


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TRANSPORTATION
REVIEW
AND
ANNUAL REPORT
1974 - 1975



TRANSPORTATION REVIEW
AND
ANNUAL REPORT FOR THE
YEAR ENDED MARCH 31, 1975

The Atlantic Provinces Transportation Commission has offices at 236 St. George Street (Room 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.

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Honourable George M. Mitchell
Minister of Development
Province of Nova Scotia
Halifax, N.S.

Honourable John H. Maloney, M.D.
Minister of Industry and Commerce
Province of Prince Edward Island
Charlottetown, P.E.I.

Honourable Lawrence Garvie
Minister of Economic Growth
Province of New Brunswick
Fredericton, N.B.

Honourable J. Rousseau
Minister of Transportation
and Communications
Province of Newfoundland
St. John's, Nfld.

Sirs:

On behalf of the Directors of the Atlantic Provinces Transportation Commission, I am pleased to submit the Transportation Review and Annual Report of this Commission for the period April 1, 1974 to March 31, 1975. This report attempts to review the transportation developments in Canada particularly as they relate to the Atlantic Provinces as well as to report on a limited number of the matters which have been dealt with by this Commission during the past year.

In 1975, the Atlantic Provinces Transportation Commission observes the 50th Anniversary of its creation. The benefits of the Commission's work to the region during this period have been substantial.

As the Commission embarks on the second half of a century of service, the Directors express their thanks to you and your Governments for the continued financial support of the Commission with resulting benefits for the region's industries and producers.

All of which is respectfully submitted,

N. H. Smith
Chairman

**DIRECTORS OF THE
ATLANTIC PROVINCES TRANSPORTATION COMMISSION
AS AT MARCH 31, 1975**

Honourary Chairman — Dr. A. Murray MacKay, Halifax, N.S.

NOVA SCOTIA

Government

Charles B. Christie

G. G. Etienne

L. J. Hayes

Atlantic Provinces Chamber of Commerce

David G. Burchell

E. L. Dillman

C. L. Weckman

Amherst, N. S.

Halifax, N. S.

Halifax, N. S.

North Sydney, N. S.

Hantsport, N. S.

Halifax, N. S.

NEW BRUNSWICK

Government

Glendon Eddy

F. H. Hatfield

D. G. Wales

Atlantic Provinces Chamber of Commerce

R. B. Forbes

D. M. Hope

J. G. MacDonald

Bathurst, N. B.

Hartland, N. B.

Fredericton, N. B.

Edmundston, N. B.

Saint John, N. B.

Moncton, N. B.

PRINCE EDWARD ISLAND

Government

K. A. MacKenzie

G. D. Wright

Atlantic Provinces Chamber of Commerce

Elric Campbell

C. M. McLean

Charlottetown, P.E.I.

Central Bedeque, P.E.I.

Summerside, P.E.I.

Charlottetown, P.E.I.

NEWFOUNDLAND

Government

D. Monroe

E. J. O'Brien

Atlantic Provinces Chamber of Commerce

S. G. Humphries

Norman H. Smith

St. John's, Nfld.

St. John's, Nfld.

Corner Brook, Nfld.

St. John's, Nfld.

ALSO

President, Atlantic Provinces Chamber of Commerce

STAFF

Craig S. Dickson, General Manager and Treasurer

Ramsay M.S. Armitage, Assistant General Manager

Lorne M. Mitton, Transportation and Distribution Officer

A. Scott DeBow, Assistant Transportation & Distribution Officer

Roger Breau, Traffic Analyst

Ross A. Palmer, Assistant Traffic Analyst

Brian L. Johnson, Assistant Traffic Analyst

Peter A. Vuillemot, Research Officer

Dale Ronalds, Senior Tariff Clerk

*Charles Legere, Tariff Clerk

**Mrs. Frances Dewberry, Staff Secretary

***Miss Barbara Bourque, Assistant Staff Secretary

Mrs. Ruth Berryman, Assistant Staff Secretary

* Effective May 13/75

** Resigned May 29/75

*** Resigned Apr. 11/75

1974 - 1975

EXECUTIVE COMMITTEE



NORMAN H. SMITH

Chairman

Vice-President, Merchandise

Steers Limited

St. John's, Nfld.



GLENDON EDDY

Vice-Chairman

Bathurst, N. B.

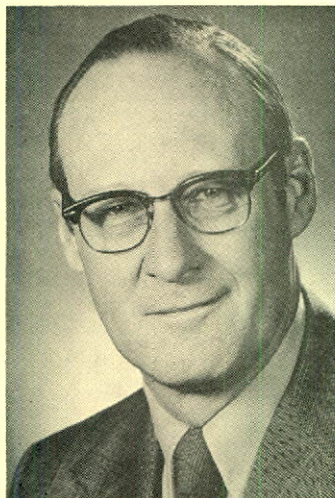


DAVID G. BURCHELL

North Sydney, N. S.

1974 - 1975

EXECUTIVE COMMITTEE



G. G. ETIENNE

Director of Transportation

Province of Nova Scotia

Halifax, N. S.



K. A. MacKENZIE

Director of Transportation

Province of Prince Edward Island

Charlottetown, P.E.I.



E. J. O'BRIEN

Director of Transportation

Province of Newfoundland

St. John's, Nfld.

1974 - 1975

EXECUTIVE

COMMITTEE



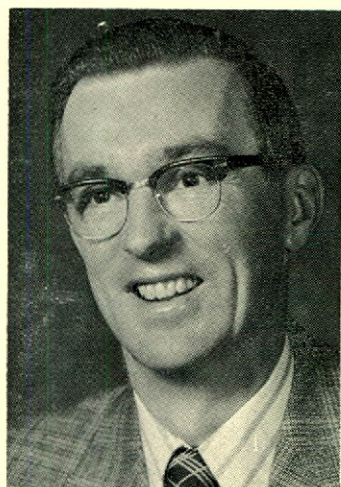
D. G. WALES

Assistant Director of Transportation
Province of New Brunswick
Fredericton, N. B.



G. D. WRIGHT

President
Campbell & Burns Limited
Central Bedeque
P.E.I.



CRAIG S. DICKSON

General Manager
Moncton, N. B.

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 are rates and charges by all modes of transport;

- (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 and 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 over-all 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 regards 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 (Room 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).

GENERAL TRANSPORTATION REVIEW

Rail

Contrary to trends in Canada as a whole, rail freight traffic originating in the Atlantic Provinces showed a decline of approximately 10% in 1974 against 1973. This was due mainly to reduced loadings of iron ore, potatoes, gypsum, gasoline and gravel. New Brunswick showed the largest drop (21%) followed by Prince Edward Island (8%), Newfoundland (5.5%) and Nova Scotia (.7%).

Canadian National Railways reported a net operating profit of \$12.6 million for the year 1974, 2.4% above that of 1973. Revenues from carload services increased 21.2% to \$1,078.8 million while overall revenue showed a gain of 23.9% to \$1,482.4 million. However, operating expenses also showed an increase of 24.2% to \$1,469.8 million.

CP Rail also reported a net income of \$35.8 million up 8.9% from 1973. Freight revenue increased by 16% to \$803.3 million. Operating expenses increased by \$163 million to \$913.1 million.

Statistics for rail carloadings in Canada appear below:

Railway Carloadings 1973-1974

	1974 (tons x '000)	1973 (tons x '000)	Percent Change
Carload Traffic Loaded	241,762	238,172	+ 1.5
Non-Carload Traffic Loaded	2,347	1,597	+ 46.9

Source: Statistics Canada Catalogue 52-205

Railway Freight Traffic

Payments received to December 31, 1974, by both major railways under terms of the National Transportation Act in respect of the maintenance of services on uneconomic branch lines and unprofitable passenger services for the year 1973 are outlined below:

Subsidies paid to Canadian National Railways and Canadian Pacific Limited Under terms of the National Transportation Act in respect of year 1973

(Payments To December 31, 1974)

	Canadian National Railways <u>Claimed</u>	<u>Paid</u>	Canadian Pacific Limited <u>Claimed</u>	<u>Paid</u>
Sections 256 and 258 of the Railway Act				
In respect of uneconomic Branch Lines	\$34,834,501	\$25,091,486	\$21,876,604	\$16,747,427
Section 261 of the Railway Act				
In respect of unprofitable Passenger Service	119,741,567	90,457,118	28,662,212	21,275,530
Section 272 of the Railway Act				
Export Grain and Flour Rates from Thunder Bay to ports Montreal and East thereof	3,135,776	3,135,776	2,934,325	2,934,325
Total:	<u>\$157,711,844</u>	<u>\$118,684,380</u>	<u>\$53,473,141</u>	<u>\$40,957,282</u>

Source: Eighth Annual Report of the Canadian Transport Commission, 1974.

A further breakdown of the subsidies paid out for uneconomic branch lines and unprofitable passenger services on a regional basis is shown below. Payments to the Atlantic Provinces increased by 28% over the previous year, while corresponding payments to the rest of Canada increased by 30%.

Payments to Canadian National Railways and Canadian Pacific Limited under terms of the National Transportation Act In Respect Of Year 1973

(Payments To December 31, 1974)

	Atlantic Provinces	Central Canada	Western Canada	Through Services between Central and Western Canada
Canadian National Railway				
Section 256 (unprotected branch lines)	Nil	Nil	\$ 2,870,568	Nil
Section 258 (guaranteed branch lines)	Nil	Nil	22,220,918	Nil
Section 261 (passenger train service)	\$21,438,682*	\$31,516,643	\$ 8,199,979	\$29,301,814
Canadian Pacific Limited				
Section 256 (unprotected branch lines)	Nil	11,014	1,420,769	Nil
Section 258 (guaranteed branch lines)	Nil	Nil	15,315,644	Nil
Section 261 (passenger train service)	2,192,366	2,380,902	509,996	16,192,266
Totals:	\$23,631,048	\$33,908,559	\$50,537,874	\$45,494,080

* Includes Maritime passenger train services East of Montreal which covers a major part of the Province of Quebec.

Source: Eighth Annual Report of the Canadian Transport Commission, 1974.

Highway

A number of motor carriers in the Maritime Provinces joined together to form the Atlantic Provinces Motor Carrier Tariff Bureau. The main function of the Bureau is to prepare and file with appropriate regulatory authorities tariffs of rates and charges to be assessed by its members. From discussions between this Commission and the new tariff bureau, it appears that the policy to be followed in the establishment of rates will not unduly restrict competition.

Inflation continued to have a major effect upon the trucking industry during the year under review.

The terms and conditions of carriage to be incorporated in a uniform bill of lading were agreed upon by the three Maritime Provinces and the trucking industry and other interested parties early in 1974. However, at year end, Prince Edward Island and New Brunswick had not formally implemented these standard terms and conditions of carriage.

Air

A number of important events occurred during the year affecting air transport in the Atlantic Provinces. The Canada-United States Air Agreement was signed early in the year. A number of new trans-border routes were agreed upon by the two countries. Of interest to Atlantic Canada, were the establishment of a Halifax-Bangor/Portland-Montreal route and a Sydney-Boston route. Both of these routes were awarded to Air Canada for development.

Several new Third Level Carriers began operations during the year. Atlantic Central began service between Bangor, Me., Saint John, N.B., Bathurst, N.B., and Fredericton, N.B. Eastern Flying Service connected Charlottetown, P.E.I. and Sydney, N.S. and Coastal Aviation began service between Halifax, N.S. and Yarmouth, N.S.

Eastern Provincial Airways commenced jet service to Northern New Brunswick in the Fall of 1974. Following the completion of runway expansion at Charlo Airport, the company began using Boeing 737 jets on the route.

The Federal Government finally implemented its long delayed air transport tax on December 1, 1974. The tax at a level of 5% up to \$5.00 of the purchase price of a ticket for North American service and \$5.00 per ticket for International service is to help pay for the cost of administering Canada's airports.

The Canadian Transport Commission released a report of its findings dealing with the adequacy of air services in the Atlantic Provinces. The report was preceded by regional air hearings inquiring into the adequacy of air services in the Atlantic Provinces which was outlined in the previous Annual Report.

The report recommended improved services and terminal facilities for the Atlantic Provinces. In this regard, Air Canada was awarded a direct service from Montreal to Charlottetown which is due to commence in April, 1975. Eastern Provincial Airways was urged to apply for the additional routes of Halifax-Saint John-Montreal and Halifax-Fredericton-Montreal. The application was made and service is due to commence in the summer of 1975.

The general economic conditions had an effect on the air carriers during the year. Fares were raised an average of 10% on August 1, 1974, and applications for a further increase were pending at year end. Service cutbacks and schedule adjustments were instituted by the major airlines in attempting to deal with rising costs.

Statistics of the two major airlines operating in Atlantic Canada show that the substantial traffic growth of recent years slowed markedly and only moderate increases occurred. However, there was a sharp decline in net income. A brief table of statistical highlights is shown below:

	AIR CANADA		Percent Change	EASTERN PROVINCIAL		
	1974	1973		1974	1973	Percent Change
Revenue Passengers Carried	10,700,000	10,100,000	+ 5.9%	593,636	545,112	+ 8.9%
Revenue Passenger Miles (x '000)	10,268,087	9,600,000	+ 6.9%	238,561	216,252	+ 10.3%
Freight Ton Miles (x '000)	239,680	245,227	- 2.3%	2,681	2,523	+ 6.3%
Passenger Load Factor	64.0%	66.5%	—	56.5%	47.0%	—
Net Income (Loss) After Taxes	(9,225,000)	6,123,000	—	510,851	1,087,000	—

Source: Air Canada and Eastern Provincial Airways

Ports

Both Halifax and Saint John showed slight declines in total cargo handled during 1974. The following table indicates comparative cargo volume statistics for several National Harbours Board Ports in the Atlantic Provinces:

Waterborne Cargo Tonnage, Loaded and Unloaded, at N.H.B. Ports of Saint John, N.B., Halifax, N.S., St. John's, Nfld., and Belledune, N.B. during 1974 and 1973

All Cargo					
Calendar Year	Saint John	Halifax	St. John's	Belledune	Total
1974	5,899,426	13,875,240	1,125,160	714,422	21,614,248
1973	6,160,078	14,062,771	1,153,335	572,639	21,948,823
Increase or (Decrease)	(260,652)	(187,531)	(28,175)	141,783	(334,575)
% Change	- 4	- 1	- 2	+ 25	- 2
General Cargo *					
1974	1,470,869	606,648	277,591	—	2,355,108
1973	1,192,510#	530,016	341,960	—	2,064,486#
Increase or (Decrease)	278,359	76,632	(64,469)	—	290,622
% Change	+ 23	+ 14	- 19	—	+ 14
Container Cargo					
1974	450,824	1,705,857	7,628	—	2,164,309
1973	491,026#	1,310,955	10,278	—	1,812,259#
Increase or (Decrease)	(40,202)	394,902	(2,650)	—	352,050
% Change	- 8	+ 30	- 26	—	+ 19
* Excluding container cargo. # Change from previous annual report.					

Source: National Harbours Board.

In Saint John, the Rodney Terminal development was opened to traffic in January, 1975, with full operation expected to commence in the early summer of 1975. A new shed was completed and in operation on the site of Shed 12 which was destroyed earlier in the year by fire.

In Corner Brook, Nfld., construction is well underway on an extension to the Ministry of Transport shed. This additional 24,000 sq. ft. of space will improve the handling of water borne traffic from Central Canada. It is expected to be completed in the summer of 1975. However, the situation in St. John's changed little from a year earlier with the prospects of new or expanded facilities especially for side loading vessels, appearing quite dim in the near future.

Talks and studies continued on the constructing of a second container handling facility for the Port of Halifax. At year end, no final decision had been reached.

During the year the steamship service from Saint John and Halifax to St. John's operated by Incan Ships for the handling of tractor-trailers and roll-on/roll-off cargo was terminated leaving the region with no service on

this route for this type of traffic. However, during the year a new auto-carrier steamship service commenced between Halifax and St. John's. Operated by Federal Commerce and Navigation it will carry new automobiles to Newfoundland. The M.V. "Federal Avalon" has been chartered and can carry 15,000 units per year.

Ferries

Again in 1974, traffic increased on most of the major ferry routes in the Atlantic Provinces. The largest increases occurred on the Mainland-Newfoundland services while the Saint John-Digby and Yarmouth-Portland services showed a decline in traffic. Statistics for the year 1974 appear below with 1973 figures in brackets.

Service	Passengers	Automobiles	Trucks and Tractor Trailers
Cape Tormentine- Borden	1,485,803 + 10% (1,355,272)	448,992 + 13% (396,911)	88,112 + 18% (74,803)
Wood Island- Caribou*	472,651 + 6% (447,284)	135,263 + 8% (125,749)	43,822 + 8% (40,440)
North Sydney- Port Aux Basques	277,678 + 12% (248,006)	63,220 + 13% (56,193)	18,289 + 37% (13,400)
North Sydney- Argentina	30,033 + 28% (23,411)	7,725 + 21% (6,406)	400 + 21% (331)
Yarmouth- Bar Harbour	95,992 + 4% (92,214)	26,251 + 3% (25,390)	625 — 4% (649)
Yarmouth- Portland	140,778 — 7% (151,566)	28,986 — 12% (32,939)	6,542 (6,554)
Saint John- Digby	173,917 — 4% (180,656)	35,749 — 17% (43,071)	16,517 — 23% (21,413)

* Ferry Service in 1974 began operation on April 27th, six days earlier than in 1973.

Source: East Coast Marine & Ferry Services; & Northumberland Ferries Ltd.

After several months of negotiations, the Federal Government purchased the ferry "Princess of Acadia" operating between Saint John and Digby. CP Rail will continue to operate the service under an agreement with the Ministry of Transport. While the service is providing an important link between the two provinces it has not generated sufficient revenue to meet the full cost of operation.

The Searoad ferry service operating between Halifax and Gloucester, Mass. was discontinued in June, 1974. Used by motor carriers only, it provided an alternative route between the Atlantic Provinces and the Eastern United States.

Changes in vessels on the North Sydney-Port Aux Basques route during the year saw a new and larger vessel the "Marine Nautica" replacing a vessel which had been on short term charter. The "Nauticals" sister ship, the "Marine Atlantic", is expected to replace another short term charter in May of 1975. These two replacement vessels will improve the capabilities of the fleet to handle the tractor trailer and automobile traffic.

GENERAL LEVEL OF RATES

Rail Rates — Domestic

With the end of 1974 and the termination of the eighteen month freeze on rail rates, the Canadian Railways filed tariffs of increased rates and charges ranging from 20% to 30%, effective the beginning of 1975.

As outlined in more detail in another section of this report, the increases finally published effective March 1, 1975, were as follows:

Class Rates	30%
Commodity and Competitive Rates:	
Rate Levels in Cents Per 100 Lbs.	
1 to 100	30 to 25%
101 to 293	25 to 20%
Over 293	20%

These increases did not apply to Agreed Charges which were generally increased September 1, 1974, by 15%.

Rail piggyback Plan II rates (door to door service using railway operated trailers transported on railway supplied flat cars) were increased during the past year between the Maritime Provinces and Central Canada as follows:

Date	From/To	Increase	
		Eastbound	Westbound
August 15/74	Quebec	10%	8½ %
October 10/74	Ontario	10%	10%
January 20/75	Quebec	9%	8%
March 7/75	Ontario	12%	11%

In addition to these increases, the general scale of rates westbound was amended on November 11, 1974 to include rates at minimum weights of 24,000 lbs., 30,000 lbs., and 40,000 lbs. A level of 45,000 lbs. was included for shipments to Montreal. Previous to this adjustment rates for minimum weight of up to 15,000 lbs. only were published. In September, 1974, piggyback type of rates were published for the first time between Newfoundland and Central Canada. General merchandise rates from and to Toronto, Hamilton, and Montreal on the one hand and Newfoundland points on the other were established utilizing containers owned and operated by the carriers.

Rail Rates — International

During the first part of the year covered by this Review, changes were made to international rail rates which resulted in the fuel surcharge being increased and ultimately incorporated into the rates along with a general increase. The following table outlines the increases:

Increase In International Rail Rates		
Date	Nature of Increase	Approximate % Increase
April 1/74	Fuel Surcharge	2.8% in lieu of 2.5% effective 9/3/74
May 1/74	Fuel Surcharge	3.0% in lieu of 2.8% effective 1/4/74
June 1/74	Fuel Surcharge	3.3% in lieu of 3.0% effective 1/15/74
June 20/74	General Increase	3.3% plus 10% (cancels 3.3% surcharge)

The increase of June 20, 1974 did not become effective on newsprint and woodpulp until July 5, 1974.

In granting the 10% increase of June 20, 1974, the Interstate Commerce Commission instructed the U.S. Railroads to use the revenue generated thereby for capital improvements and deferred maintenance of plant and equipment.

A further increase of 7% to be effective in the late spring had been announced prior to March 31, 1975.

Express Rates

During the year in review, express rates were increased by 10% to 15% on April 4, 1974 for shipments from, to and within the Atlantic Provinces. A further increase at the end of August, 1974 provided a 15% increase to and within the Atlantic Provinces.

On August 28, 1974 the rail express companies revised their rates on light and bulky shipments. The general result was that shipments of 300 lbs. or less and having a measurement of 30 cu. ft. or less would no longer be subject to a flat per shipment charge. They would now be subject to regular rates based on the actual or dimensional weight (minimum 100 lbs. or 10 cu. ft.).

Truck Rates

During the year under review, the Atlantic Provinces Motor Carrier Tariff Bureau, consisting of a number of motor carriers operating within the Maritimes, generally increased the rates and charges when they published their first tariffs effective October 1, 1974. Most of these increases were in the freight all kinds categories with the rates on truckload and commodities relatively unchanged.

Truck rates between the Maritimes and Ontario increased 5% to 8% westbound and 6% to 10% eastbound on May 6, 1974. Smith Transport further increased their rates on August 1, 1974 by 10% eastbound and westbound. Other carriers advanced their rates at this time by 8% to 15% westbound and 15% to 20% eastbound. Further increases occurred in February, 1975, with eastbound rates increasing by 12% to 15% and westbound rates up 11% to 14%.

Truck rates between the Maritimes and Quebec increased by 10% eastbound and 8½% westbound on April 15, 1974. These rates were further increased temporarily by 8% westbound and 9% eastbound on October 15, 1974. This increase was originally due to be implemented October 1st, but through the Commission's intervention, it was postponed 15 days. A permanent increase of 14% westbound and 15% eastbound was published January 1, 1975 cancelling the temporary one of October 15, 1974.

When increases were sought either between the Maritimes and Quebec or Ontario, the Commission was actively involved to ensure that the requests were justifiable and that the percentage difference between eastbound as versus westbound rate increases be maintained. This percentage difference is to compensate for the subsidy paid to the carrier under the Atlantic Region Freight Assistance Act.

Pool Car and Domestic Water Rates

Pool car rates from Montreal and Ontario points to the Maritimes increased by 4% to 10% on April 1, 1974. They further increased by 10%

to 15% on October 1, 1974. In addition, the rates competitive with truck or piggyback rates from Montreal increased by 6% to 10% on June 17, 1974.

Water rates published by Clarke Transportation Canada Ltd. operating between Montreal and Newfoundland advanced by 17% to 19% during the year under review. However, these rates now include delivery which previously was for the account of the consignee.

ATLANTIC REGION FREIGHT ASSISTANCE ACT

On April 15, 1974, the Federal Government augmented its program of westbound assistance with the introduction of the Atlantic Region Selective Assistance Programme. This additional assistance applies on selected commodities moving from the Atlantic Provinces to points in Canada west of Levis, Que. Total amounts of subsidy paid under this program in 1974, as well as the subsidies paid in recent years under the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act, are shown below:

ATLANTIC REGION FREIGHT ASSISTANCE ACT

Westbound	}	Calendar Year	Cumulative
		1974	June 15/69 To Dec. 31/74
		\$4,134,668	\$11,761,724
Intra Regional	}	Calendar Year	Cumulative
		1974	Oct. 1/70 to Dec. 31/74
		\$16,122,668	\$40,008,037

MARITIME FREIGHT RATES ACT

Westbound and Intra Regional (1) (x '000)	1970	1971	1972	1973	1974
	\$14,000	\$13,112	\$13,073	\$14,015	\$15,059

ATLANTIC REGION SELECTIVE ASSISTANCE (2)

	Truck	Rail
1974	\$416,000	\$985,000

(1) It is not possible to separate from the total amount the portions paid for westbound and Intra-Regional shipments.

(2) Commenced April 15, 1974.

Source: Canadian Transport Commission.

Additional Westbound Assistance

During the past year, the A.P.T.C. continued in its efforts through the Federal-Provincial Committee on Atlantic Region Transportation to encourage changes in the application of the selective westbound assistance which is under the administration of the Canadian Transport Commission.

The changes being sought were in (1) the provision of larger Atlantic Provinces rate zones to minimize distortions in rates (i.e., lower net rates for longer than shorter hauls on the same commodity); and, (2) an increase in the level of the selective assistance so that when combined with the basic

Maritime Freight Rates Act, the additional selective assistance equals a full 50% subsidy on the Atlantic Region portion of the haul, as intended.

Following an exchange of views in writing, an informal meeting was arranged between representatives of the Canadian Transport Commission, the Federal-Provincial Committee, and the A.P.T.C. in November, 1974. While the intent of the Federal-Provincial Committee was stated to be the provision of a full 50% subsidy, it was concluded that the wording of the Third Report of the Committee, along with the wording of the explanatory document submitted to Cabinet, is open to two interpretations. It was also noted that the Canadian Transport Commission applied the interpretation which results in the least expenditure of public funds which was claimed to be its duty.

It was concluded that the changes being sought are beyond the authority of the C.T.C. and the matter has therefore been dropped.

Subsidy Information Shown in Freight Bills

In response to a request of the Atlantic Provinces Transportation Commission, the two major railways along with the major motor carriers connecting the Atlantic Provinces with other parts of Canada, are including sufficient information on their freight bills to enable shippers to determine whether and to what extent their rates are being reduced under the additional westbound assistance.

This will assist shippers to ensure that they are benefitting under the subsidy program.

Intra Regional Assistance

In accordance with the recommendations of the Third Report of the Federal-Provincial Committee, the subsidy on shipments moving by rail and by truck between points within the Atlantic Region was reduced from 17½% to 15%, effective December 25, 1974. At the same time, the application of the remaining assistance was further restricted so as not to apply on shipments with a transportation charge of less than \$10.00. The reduction in the subsidy resulted in increases in both rail and truck rates.

FREIGHT RATE INCREASE CASE AND APPEALS

On November 22, 1974, the Canadian Railways announced that with the so-called freight rate freeze terminating on December 31, 1974, tariffs were being filed with the Canadian Transport Commission to increase many rail rates by 20 to 30%, (averaging 25%), effective January 1, 1975. It will be recalled that the so-called freight rate freeze was officially announced by the Minister of Transport during the Western Economic Opportunities Conference in July, 1973. It applied to those categories of rates which had been increased or would have been increased had they been in effect as of February 14, 1972 when the last previous general freight rate increase was implemented.

The Atlantic Provinces Transportation Commission was concerned about the magnitude of this increase, it being the largest increase effected during the post-World War II period. The Governments of the Provinces were informed of this increase and representations were made by the Ministers responsible for transportation or by the Premiers to the Federal Minister of Transport urging him to develop a plan to phase in the increases which the railways may find necessary and to use his influence to ensure that the railways exercise the utmost restraint in seeking increases.

In addition, the A.P.T.C. communicated with the Presidents of the Canadian National Railways and CP Rail, urging a phase in period and restraint in the amount of increases sought. Furthermore, the A.P.T.C. urged the railways to take specific rate action to modify the increase where it would affect adversely particular industries or industry groups.

On Saturday, December 28, 1974, the A.P.T.C. learned that the Provinces of Manitoba, Saskatchewan, and Alberta had filed an application with the Canadian Transport Commission on December 24th, seeking an Order suspending or postponing the coming into effect of the increased tariffs. A hearing on this application was set for December 30th and 31st.

In consultation with the majority of the Executive Committee during that weekend, the Atlantic Provinces Transportation Commission advised the Canadian Transport Commission of its position and that of the Ministers of the Atlantic Provinces. Through this telegraphic advice, the A.P.T.C. became an intervenor in the proceedings. The Province of Ontario intervened by an appearance at the hearing on December 30-31, 1975.

At the close of the hearing, the Canadian Transport Commission issued Order R-19840 postponing the coming into effect of one-half of the increase until March 1, 1975.

The railways applied to the Federal Court of Appeal for leave to appeal the Canadian Transport Commission Order. The application was granted. The Federal Court heard the appeal and found that the C.T.C. did not have power to suspend or postpone the coming into effect of the tariff. It could, the majority of the Federal Court judges said in their certified opinion to the C.T.C., extend the time period between filing and effective date. It suggested, therefore, that the Canadian Transport Commission consider making the kind of Order it was authorized to make. The Canadian Transport Commission is bound within a reasonable period to act upon the certified opinion of the Federal Court.

The Canadian Transport Commission held a public hearing on January 31st at which it heard further arguments on what action it should take in light of the Federal Court decision. Following that hearing, on February 5th, the C.T.C. set aside its original Order and contemporaneously by Order R-20096 extended the time between filing and effective date of the original increase to require that it not be effective until March 1, 1975. At the same time it allowed the railways to file on short notice an increase of not more than one-half of the original increase to expire on February 28, 1975. This the railways did on February 9th.

The railways appealed the Federal Court decision to the Supreme Court of Canada and the hearing on it was set down for April 24-25, 1975. In its decision rendered on May 20, 1975, the Supreme Court unanimously found that the Canadian Transport Commission did not have power to suspend or postpone the coming into effect of the increased tariff or tariffs. As to the question of whether the Canadian Transport Commission had the power to extend the time between the filing of the tariff and the coming into effect of it, the Supreme Court did not rule on this question since the matter was in their opinion academic in the present case since the tariff had already come into effect.

Subsequently, the railways announced that during the months of January and February, 1975, shippers would be assessed charges as follows:

1. During the period January 1st to and including January 25th,

charges would be assessed on the basis of 50% of the initial Canadian Freight Association Tariff 1005 increase.

2. During the period January 26th to and including February 8th, charges would be assessed on the basis of the full C.F.A. 1005 increase.
3. During the period February 9th to and including February 28th, charges would be assessed on the basis of 50% of the initial C.F.A. 1005 increase.
4. Effective March 1st, the full increase under C.F.A. Tariff 1005 would be assessed.

Before the action began with the Canadian Transport Commission, the Atlantic Provinces Transportation Commission began negotiations with the railways for specific adjustments in rail rates on specific commodities affected by this increase. These commodities included Lumber, Cement, Sand, Nepheline Syenite, Furniture, and Burnt Shale. Particulars of the rate adjustments on some of these commodities are outlined later in this report.

L.C.L. STATION TO STATION RATE CANCELLATION

In mid August, 1974, CP Rail and the Dominion Atlantic Railway cancelled their LCL station to station rates within the region. Canadian National increased its rates by 30% at that time. The Atlantic Provinces Transportation Commission received complaints from several shippers located on the D.A.R. and CP lines who felt these rates were frozen and, in fact, there was some evidence to suggest that they were frozen.

The A.P.T.C. protested the cancellation and the increase to the railways and the Minister of Transport. A meeting was held with the railways at which they took a strong stand that all LCL rates would be cancelled as soon as possible. As the LCL rates from, to and within Atlantic Canada were the only remaining LCL rates in Canada, it was apparent that much could be gained by co-operation between the Atlantic Provinces Transportation Commission and the railways to ensure that shippers heavily dependent upon LCL rates were not subjected to undue rate increases or did not have their competitive position worsened if such rates were cancelled. Accordingly, the A.P.T.C. suggested that if the railways wished to cancel the LCL rates that they first make every effort to provide alternative tariffs for those shippers affected and when satisfactory alternatives were in place, the LCL rates could then be withdrawn.

The railways response to this suggestion occurred in late November when they announced that all LCL rates were to be cancelled on January 15th and that they were prepared to work with the A.P.T.C. to arrive at satisfactory alternative tariffs for the present LCL shipper. The A.P.T.C. agreed to accept this proposal provided the time table of January 15th could be met and, if not, that it could be extended. Furthermore, the A.P.T.C. reserved the right to withdraw from the program if it failed to adequately protect the interest of regional shippers.

This undertaking resulted in a mammoth work load for the A.P.T.C. staff. Meetings were held with forty-two shippers throughout the Atlantic Provinces. Almost daily contact was maintained with CN officials in Moncton. Numerous consultations were also required with CN system officials and officials of the Canadian Transport Commission. In addition, three

meetings were held with Government and/or local business organizations. One of the A.P.T.C. staff spent twenty-eight days in meeting a portion of the shippers mentioned above. In addition, a second staff person spent ten days in meeting with other affected shippers. While the General Manager and Assistant General Manager spent nine days meeting with still other shippers, the Assistant General Manager supervised the program following the General Manager's involvement in the freight rate increase in late December.

The original effective date for cancellation was postponed to February 15th, then 17th, and for traffic within Newfoundland, to March 16th. During this time, specific tariff arrangements were concluded for twenty-eight companies. During these negotiations also it was possible to have the non-carload rates within the region, which replaced the LCL rates, brought under the Maritime Freight Rates Act subsidy program. This meant a 15% reduction in such rates within the region and an estimated \$1-million saving to shippers using such rates.

A concluding development was a proposal by the railways to increase express rates by 15% into and from the region on May 5, 1975, and within the region on June 1st. Further meetings were held with railway officials and it was agreed that the 15% increase would be deferred to September 1, 1975 into and from the region, and that the special tariffs into, within, and from Newfoundland would be exempted from the increase until September 1st.

DEMURRAGE

During the year, the General Manager served on the National Shipper Demurrage Committee, an ad hoc committee representing some twenty-seven national or regional shipper groups, which had been created to provide an input into a revision of demurrage rules, regulations and charges.

Serving on that Committee required a considerable amount of time in analyzing the proposed changes and assessing their impact on shippers and receivers in Atlantic Canada. In addition, the General Manager attended several meetings of that Committee as well as a meeting with the system foreign freight sales representatives of the two major railways in an effort to maintain existing free time allowances and charges for the New Brunswick and Prince Edward Island potato exporters.

The new demurrage rules, regulations and charges were implemented on March 1, 1975, with the export potato traffic being exempt from the changes until June 30, 1975.

Following implementation of the new charges and rules, some concern was expressed to the A.P.T.C. regarding the effect on export traffic via Halifax and Saint John and on traffic on private sidings where the revision in the weather interference rule no longer provides for additional free time. The A.P.T.C. Assistant General Manager met with the port interests in Saint John and Halifax. Part of the problem there was the fact that the shipping lines decided at the same time to cease absorbing demurrage charges under certain circumstances, as had been their practice for many years. As a result of the meeting, representations were made by the port interests to the railways for further relief and the rules and charges were modified for a one-year period.

The complaint regarding weather interference was resolved satisfactorily through communication with the Canadian Car Demurrage Bureau.

FEED GRAIN RATE DEVELOPMENTS

The Atlantic Provinces Transportation Commission continued its close association with the Canadian Feed Manufacturers' Association-Atlantic Division during the past year. This included consultations on transportation matters of major importance as well as the routine service of the issuance of numerous notices of rate changes of interest to the members of that Association.

Rate Negotiations

Two meetings involving rail rate negotiations of major importance to the feed manufacturers were organized by the A.P.T.C. during the past year.

The first of these meetings, which was held in June, 1974, dealt with proposed increases in rail rates on (1) Feed grain from Thunder Bay to the Maritime Provinces; (2) Corn from southwestern Ontario to the Maritime Provinces; and, (3) Feed grain from Halifax and Truro (originating in Western Canada) to the Annapolis Valley. As a result of this meeting, substantial reductions were made in the amount of the proposed increases in feed grain from the "Lakehead" and corn from Ontario. However, in both cases by mutual agreement, the agreed charge contracts were cancelled and replaced with "open tariff" rates. The railways also agreed that the new rates would not be unilaterally changed but would be subject to negotiations.

The second meeting between the feed manufacturers and the railways, which was held as a direct result of the first meeting, took place in March, 1975. By agreement reached at the previous meeting, the rail rates on feed grain from the "Lakehead" to the Maritimes were to be further adjusted upward or downward on May 16, 1975, by the variation in the water rate only from Thunder Bay to Halifax comparing the 1975 rate with the rate in effect during 1974.

Unfortunately, the water rate advanced very sharply during the period and the feed manufacturers had no choice but to accept a further substantial increase. Nonetheless, the increase which was finally accepted, reflected a reduction of 4¢ per 100 lbs. under the railways' proposal.

In the case of corn from Ontario, the negotiated reduction in the proposed rate increase ranged from 5 to 7¢ per 100 lbs., with the greater reduction applying to the largest consuming area.

Water Transportation U.S. Corn and Soyabean Meal

At the initiative of the Atlantic Provinces Transportation Commission, the potential of developing inexpensive water transportation for the movement of corn and soyabean meal from one or more United States ports for use by the Maritime feed manufacturers was explored.

This included discussion with a major gypsum company and a paper company both of whom are engaged in the movement of their products southbound with little or no movement for the northbound voyages.

While the economics did not favour such a movement at the time of this assessment which was primarily due to unexpected shortages and high prices of materials, this undertaking did establish the availability of low cost transportation which may prove highly beneficial at some future date.

RATES ON POTATOES

During the past year the potato industry received proposals to increase rail rates on potatoes for export and for domestic shipments in the summer of 1974 and again in the spring of 1975. On both occasions the A.P.T.C. arranged meetings between industry representatives, government officials, and the railways.

In the June, 1974 meeting, the railways agreed to maintain seven days free time before the assessment of refrigerator car detention charges on export traffic in lieu of their proposal to reduce that free time to five days. Refrigerator car detention charges during the 1974-75 shipping season ranged from \$6.61 per day to \$13.23 per day. No traffic data is available to the A.P.T.C. to determine the benefit to the potato exporters of this action.

In the spring of 1975, the railways sought an increase of 25% in export and domestic rates and greater increases in heater car service charges and reduced free time before the assessment of demurrage charges on export traffic.

Again a meeting with the railways, government officials, and the potato industry was convened by the A.P.T.C. As a result of that meeting, the railways substantially modified their original demands. The results of these negotiations are indicative of the value of a regional organization able to assist specific industry groups in rate negotiations with the carriers.

OCEAN RATE MATTERS

In the fall of 1974, the ocean conferences announced increases in the so-called terminal charges at all Eastern Canadian ports. This increase was alleged to be the result of increases in and the assessment of charges for mounting and demounting containers on highway chassis at inland container terminals. Since the reason for the charge was for services not provided on containers originating at or destined to points in the Atlantic Provinces, exporters and importers in this region of Canada were being called upon to pay for costs not associated with their traffic. Accordingly, the A.P.T.C. requested the conferences to rescind the increase in the terminal charge.

A second part of the Commission's submission to the Conferences was for the establishment of ocean rates to and from Halifax and Saint John differentially under the ocean rates to and from St. Lawrence River ports. The Commission pointed out that the justification for the same rates no longer existed.

The ocean conferences declined both parts of the A.P.T.C. request, although offering to meet with the Commission to discuss the matter further, if desired. At year end, a mutually convenient date for such a meeting has not been possible.

TRANSPORTATION MANAGEMENT COURSES

During the year the Atlantic Provinces Transportation Commission participated in three transportation management courses following the first two successful courses held in Nova Scotia early in 1974. Courses were held in Moncton, N.B. on October 29-30th and in Charlottetown, P.E.I. on November 18-19, 1974 in co-operation with the Canadian Manufacturers Association and the New Brunswick Department of Economic Growth

(for the Moncton course) and the P.E.I. Department of Industry & Commerce (for the Charlottetown course). These were attended by approximately fifty-two persons resource people in Moncton and, by approximately thirty-six persons plus resource people in Charlottetown.

On March 20-21, 1975, the Atlantic Provinces Transportation Commission with Memorial University Extension Services, the Corner Brook Chamber of Commerce, and the Newfoundland Department of Transportation and Communications held a course in Corner Brook, Nfld. It was attended by approximately sixty persons plus resource people.

These courses were well received by those who took part. They required time of the A.P.T.C. to secure resource people and to prepare and deliver papers. At each of the courses, both the General Manager and the Assistant General Manager gave two papers. In addition, the Commission supplied reference material and a member of its staff assisted in the operational aspects of each course.

The success of these courses suggest that similar courses should be held in other locations during the coming year.

CAR SUPPLY CONFERENCES

During the past year there were two national railway car supply conferences held in Ottawa plus an Atlantic Region conference in Moncton.

The two national conferences were organized by the Ministry of Transport with the aim of finding solutions to an acute railway car shortage in Canada. The first of these conferences dealt with the problem in general terms while the second was limited to railway equipment for the movement of perishable traffic. Both conferences were attended by representatives of the A.P.T.C. and this provided an opportunity to highlight the problems being experienced in the Atlantic Provinces.

In co-operation with the Ministry of Transport, Canadian National Railways and CP Rail, the Atlantic Provinces Transportation Commission organized a workshop conference dealing with the railway car supply situation from a regional point of view. Held in Moncton in August, 1974, and attended by approximately seventy delegates, that conference was considered successful in attracting attention to the problem of car shortages being experienced in this region.

NEWFOUNDLAND WAREHOUSE AND DISTRIBUTION STUDY

In July, 1974, this Commission was requested by the Newfoundland Department of Rural Development on behalf of the Exploits Valley Development Association to conduct a feasibility study of a Warehouse and Distribution Centre to be located at Bishop's Falls, Nfld. The study was undertaken with work commencing in October. The final report was presented at a meeting of citizens, town officials, and E.V.D.A. officials in Bishop's Falls on April 24, 1975.

The study concluded that the large Warehouse and Distribution Centre proposed would not be economically feasible at this time due to the high costs involved with construction and an insufficient volume of freight available for this type of undertaking.

However, the report indicated that while a single large facility is not feasible, the area of Grand Falls-Bishop's Falls has several attractive features which could encourage greater distribution activity in that area.

In a second part to the study, a pulpwood assembly facility was also considered at the same location. Here the study concluded that under present operating methods and with the present transportation costs of rail versus truck, the prospect is excellent of establishing an assembly area at Bishop's Falls for at least one of the major pulpwood users.

PUBLICATIONS

During the year the Atlantic Provinces Transportation Commission reissued its *"Directory of Ocean Containership Services"* and its *"Highway Overhead Clearance Booklet"*. Both of these publications have been well received by the public. Many complimentary comments have been made on the *"Directory of Ocean Containership Services"* in both writing and verbally. This Directory publicizes the regular and extensive shipping services available from the Ports of Halifax and Saint John.

Publication of *"Tips & Topics"* continued during the period covered by this report with six issues being released. The lack of sufficient staff is the only reason that this newsletter has not been issued monthly. It is recognized that *"Tips & Topics"* serves a dual function of being informative as well as keeping the Commission's name before the public. The mailing list for it now stands at about 2,800. From that it can be seen that the simple reproduction and mailing of the newsletter exerts considerable pressure on the staff.

Eleven circulars of interest to specific industry groups were distributed during the year.

It is regretted that developments have prevented the publication of the Commission's *"Transportation Directory"*. The work which has gone into it now requires updating with anticipation that it can be published during the summer of 1976.

TRANSPORTATION CONFERENCES

The year reviewed in this Annual Report was a very active one for the Commission in respect of transportation conferences and meetings. A synopsis of the major conferences and meetings in which the Chairman, the General Manager, or other staff members participated is as follows:

<u>Date</u>	<u>Conference/Meeting</u>	<u>Nature of Participation</u>
April 22-23/74	Roads and Transportation Association of Canada	Assisted in the organization of two-day conference
April 25/74	Commodity Marketing Board of Prince Edward Island	Address
May 8/74	Atlantic Agricultural Economic Council	Address
May 9/74	Eastern Canada-Northeastern United States Trade Conference	Workshop Chairman
May 16/74	Traffic Club of Moncton	Address
June 6/74	University of Prince Edward Island	Lecture
June 19/74	Stephenville Chamber of Commerce Quarterly Meeting	Address
July 24/74	New Brunswick Potato Shippers Association	Address

<u>Date</u>	<u>Conference/Meeting</u>	<u>Nature of Participation</u>
August 12/74	Nova Scotia Export Forum Meeting	Panelist
August 13/74	Regional Car Supply Conference	Chairman and Workshop Chairman
November 6/74	Physical Distribution Advisory Service Seminar, St. John's	Address Paper
November 23/74	Greater Charlottetown and District Chamber of Commerce	Workshop
December 3/74	New Brunswick Potato Shippers Association	Address
December 13/74	Latin American Trade Seminar	Panelist
February 13/75	P.D.A.S. Seminar, Halifax, N.S.	Workshop Leader
February 20/75	Chaleur Regional Industrial Commission	Panelist
March 5/75	Members of Parliament and Senators Ottawa, Ont.	Address
March 17/75	Engineering Class, University of New Brunswick	Address

COMMISSION DIRECTORS

During the year covered by this report, Mr. Gerald Handrahan of Tignish, P.E.I., resigned as a Director of the Commission and a member of its Executive Committee. Mr. Handrahan was appointed a Director by the then Maritime Provinces Board of Trade in 1968. As a Director and in his capacity as a member of the Executive Committee he has served the Commission well during those years.

Other Director changes occurred with Mr. C. M. McLean of Charlottetown, P.E.I. being appointed by the Atlantic Provinces Chamber of Commerce to fill the vacancy existing in Prince Edward Island; Mr. S. G. Humphries of Corner Brook appointed to replace Mr. Allan Noseworthy; Mr. R. B. Forbes of Edmundston appointed to replace Mr. G. E. Tozer of Bathurst; and Mr. J. Graham MacDonald of Moncton appointed to replace Mr. H. Miller also of Moncton, N. B.

To those individuals who have finished their terms as Directors of the Atlantic Provinces Transportation Commission, the Chairman and General Manager express their deep appreciation for the contribution they have made to the Commission during their term of office.

OTHER ACTIVITIES OF THE ATLANTIC PROVINCES TRANSPORTATION COMMISSION

As has been the case in previous years, many of the Commission's activities during the year, because of their detailed and confidential nature, cannot be itemized in this report. Nevertheless, during the year April 1, 1974 through March 31, 1975, the Commission has provided assistance to Provincial Governments and their industrial development agencies, municipal groups, trade groups, boards of trade, and chambers of commerce, and specific industries throughout the region on an ever-increasing scale.

Industrial development and marketing inquiries received from Provincial Governments and their agencies or municipal development groups exceeded the number of the previous year. While exact statistics are not

readily available, an estimate suggests that approximately 125 to 130 specific inquiries were dealt with by the Commission.

Earlier in this report, reference was made to negotiations on a number of commodities which were affected by the implementation of rate increases following the termination of the freight rate freeze. Among these the Commission negotiated on behalf of members of the Maritime Lumber Bureau for rate reductions on lumber shipments as competing producers have been securing rate reductions into the traditional Maritime market areas. Certain rate reductions have been secured from specific Maritime shipping points to points in both Central Canada and Newfoundland. Also, negotiations are underway for reductions on certain traffic movements within Newfoundland. In addition to these negotiations, the Commission has secured exemptions of the specific point to point rates on lumber from an increase of 30% which is to be effective on June 12, 1975, for rates to Newfoundland and 20% for rates to Ontario and Quebec, the latter to be effective on May 5, 1975.

The two major cement companies in the Atlantic Region utilized the Commission's services in negotiating adjustments in rates on cement for their companies.

The region's only glass bottle manufacturer utilized the Commission's services in negotiations with the railway for adjustments in the amount of increase on several of its raw materials, namely Soda Ash, Sand, and Nepheline Syenite.

A newly established firm in Nova Scotia manufacturing furniture utilized the Commission's services in negotiating better rates for the shipments of its product to points in Central and Western Canada.

A food products firm in New Brunswick utilized the Commission's services in not only negotiating rates with highway carriers to its major markets in Ontario, but also to have its product included under the existing selective transportation subsidy program.

A heavy industry company in Nova Scotia sought assistance from the A.P.T.C. in securing rates for its product destined to Quebec. As a result of this assistance, rates were negotiated with highway carriers enabling that company to bid competitively on major business in the Province of Quebec.

Associated with the cancellation of the LCL station to station rates, the potato chip manufacturers in Nova Scotia and New Brunswick utilized the services of the Commission in negotiating rates for carload shipments of potato chips to Newfoundland. As a result of these negotiations, the potato chip traffic was exempt from the general freight rate increases which occurred early in 1975 and the further increases announced to be effective in the early summer of 1975. One of these companies also utilized the Commission's services in helping to resolve certain outstanding loss and damage claims with the railways. The Commission's role in this matter was limited to that of bringing the shipper and the carrier together to review the claims which had in the first instance been declined. As a result of this effort, the claims outstanding are being re-examined and it appears that settlement will be achieved on a large number of those which had originally been declined.

Companies manufacturing fibre glass yachts in the Maritimes were assisted by the Commission during the year through work done with a spe-

cialized highway carrier equipped to transport these yachts to markets in Ontario and Quebec. The Commission assisted the trucking company in obtaining its certification from the Canadian Transport Commission under the Atlantic Region Freight Assistance Act for subsidy purposes and in the preparation of a tariff which would reflect these subsidies and result in savings to the shippers.

A plastic pipe manufacturer in the Atlantic Provinces received assistance from the Commission in determining the correct charges on a large number of its shipments following a drastic change in freight rates on its products. In addition to that, the Commission negotiated and secured a reduced rate covering the movement of inbound raw materials to that company.

In 1968, the Commission assisted a Newfoundland company in preparing and submitting an application to the Canadian Transport Commission concerning overcharges on a rail movement of gypsum rock from Flat Bay, Nfld. to Corner Brook, Nfld. The overcharges were alleged to have occurred because of rate increases which took place at a time when the rail rates were frozen by statute. A decision of the Canadian Transport Commission rendered in 1974 resulted in the applicant company being entitled to a refund of a substantial amount on the traffic that moved during the period the incorrect rates were applied. The Commission assisted the company in finalizing its overcharge claim against the railway company.

The foregoing items are but a very limited partial list of some of the matters which the Commission has been involved in during the past year. In addition to that, a large number of requests have been received by the Commission from highway carriers operating within the region for information and advice on the steps they should take to become eligible to obtain freight assistance under the Atlantic Region Freight Assistance Act. Also inquiries have been received from shippers seeking explanation of or assistance in determining whether their products would be subject to, or could be subject to, the additional selective westbound freight assistance which became effective on April 15, 1974.

In the advisory field, the Commission issued 2,090 Rate Advices to industries throughout the Atlantic Region advising them of changes in rates which may affect, either directly or indirectly, the competitive position of the company.

In January, 1975, the Commission adopted a "new look" for its stationery and publications. The "new look" incorporated a logo which was evolved from a graduated co-sine curve representing forward motion and progress. It consists of four waves expressive of the continuity of the Commission's role in the four Atlantic Provinces and with the four modes of transportation. During its fifty years of service to the region, the Commission has represented a continuous forward thrust in meeting the transportation needs of the shippers and receivers of Atlantic Canada. For its new letterhead, the Commission adopted metric-sized paper.

The design of the logo and stationery was done by Mr. Rick Cartledge of Halifax, N.S. He is a graduate in design of the Nova Scotia College of Art and Design.

Close association has continued to be maintained with the Atlantic Provinces Chamber of Commerce, the Maritime Lumber Bureau, the Atlantic Division of the Canadian Feed Manufacturers Association, the Atlantic Division of the Canadian Industrial Traffic League, the Atlantic Divi-

sion of the Canadian Manufacturers Association, the Nova Scotia Voluntary Planning Group, and the Nova Scotia Forest Products Association.

Membership in national and international groups, such as the Canadian Association of Physical Distribution Management, the Canadian Transportation Research Forum, the Atlantic Provinces Economic Council, and the Transportation Association of America have been maintained by the Commission. The General Manager serves as a member of the Transportation and Communications Committee of the Greater Moncton Chamber of Commerce and also on the same committee of the Canadian Chamber of Commerce.

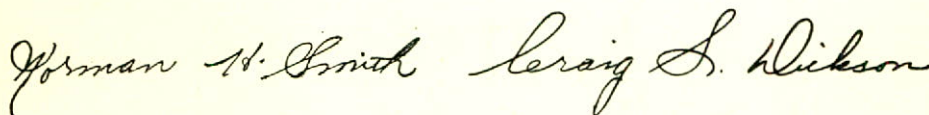
ACKNOWLEDGEMENTS

The success of the activities of the Atlantic Provinces Transportation Commission during any given year is in no small measure due to the co-operation and assistance that it receives from the various transportation carriers. To them the Chairman and the General Manager wish to express their deep appreciation and sincere thanks with the hope that through this mutual co-operation new traffic has been developed for the carriers or existing traffic has been retained.

The dedication and co-operation of the Directors of the Commission play a large part in the activities of the Commission in any year. The advice and guidance given by the Directors, their faithful attendance at and participation in the Commission meetings, is greatly appreciated by the Chairman and the General Manager. The dedication of the Directors is emphasized when it is realized that no remuneration whatsoever is received by such Directors for their service. Their only reward for this voluntary contribution to the activities of the Commission is to see the economic development of the region improve as a result of the activities of the Commission.

Finally, the Commission's success is certainly very much dependent on the dedication, the loyalty, and the hard work of the staff. On behalf of the Directors, the Chairman and the General Manager express sincere thanks and appreciation to the staff for the efficient and devoted discharge of the duties and responsibilities undertaken by them during the year covered in this report.

Respectfully submitted.



N. H. Smith
Chairman

C. S. Dickson
General Manager

