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TRANSPORTATION

REVIEW

AND

ANNUAL REPORT

1971 - 1972

ATLANTIC PROVINCES TRANSPORTATION COMMISSION

ATLANTIC PROVINCES TRANSPORTATION COMMISSION

TRANSPORTATION REVIEW AND ANNUAL REPORT FOR THE YEAR ENDED MARCH 31, 1972

(Issued May 30, 1972)

The Atlantic Provinces Transportation Commission has offices at 128 Highfield St., Moncton, N. B. 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, Newfoundland and Labrador.

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Honourable Ralph F. Fiske
Minister of Development
Province of Nova Scotia
Halifax, N. S.

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

Honourable A. Edison Stairs
Minister of Economic Growth
Province of New Brunswick
Fredericton, N. B.

Honourable John C. Crosbie,
Minister of Finance &
Economic Development
Province of Newfoundland &
Labrador
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, 1971 to March 31, 1972. On the pages that follow the transportation developments in Canada as they particularly relate to the Atlantic Provinces are reviewed, as well as a report on some of the matters which have occupied the Commission's attention.

I wish to express the thanks and appreciation of the Directors to the Governments of the Provinces for their financial support during the past year. This expression of appreciation is made, not only on behalf of the Directors, but also on behalf of all industries and organizations which have benefited from the Commission's activities. It is only through this support that industry and commerce in this region have the unique opportunity to secure the assistance provided by the Commission for their transportation and distribution needs.

As Chairman of the Commission I personally pledge myself to do all I can to bring about co-operation among the Atlantic Provinces on common transportation matters for I am convinced that the region will benefit most by pooling its expertise in transportation and working jointly toward common transportation goals.

Respectfully submitted on behalf of the Board of Directors,

D. G. Burchell
Chairman

May 30, 1972

**DIRECTORS OF THE ATLANTIC PROVINCES
TRANSPORTATION COMMISSION
AS AT MARCH 31st, 1972**

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

Nova Scotia

Government:

Charles B. Christie	Amherst, N. S.
L. J. Hayes	Halifax, N. S.
W. L. Single	Halifax, N. S.

Maritime Provinces Chamber of Commerce:

C. L. Weckman	Halifax, N. S.
R. J. McGrath	Hantsport, N. S.
David G. Burchell	Bras d'Or, N. S.

New Brunswick

Government:

F. H. Hatfield	Hartland, N. B.
Glendon Eddy	Bathurst, N. B.
H. A. Nason	Fredericton, N. B.

Maritime Provinces Chamber of Commerce:

F. R. Rand	Sackville, N. B.
J. M. Crosby	Saint John, N. B.
R. W. Ganong	St. Stephen, N. B.

Prince Edward Island

Government:

K. A. MacKenzie	Charlottetown, P. E. I.
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Maritime Provinces Chamber of Commerce:

Gerald Handrahan	Tignish, P. E. I.
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Newfoundland and Labrador

Government:

A. Roche	St. John's, Nfld.
----------	-------------------

Newfoundland and Labrador Chamber of Commerce:

Norman Smith	St. John's, Nfld.
Allan Noseworthy	Corner Brook, Nfld.

Also

President, Maritime Provinces Chamber of Commerce

Ex-Officio (non-voting)

General Manager, Halifax Board of Trade

Manager, Saint John Board of Trade

General Manager, Charlottetown Chamber of Commerce

General Manager, Newfoundland and Labrador Chamber of Commerce

Manager, Maritime Provinces Chamber of Commerce

President, Atlantic Provinces Economic Council

STAFF

Craig S. Dickson Executive Manager and Treasurer

Ramsay M. S. Armitage, Assistant Manager

Lorne M. Mitton, Transportation and Distribution Officer

David Ford, Research Economist

Wayne R. Hamlin, Traffic Analyst

Roger Breau, Assistant Traffic Analyst

Ross A. Palmer, Tariff Clerk

Mrs. Frances Dewberry, Staff Secretary

Mrs. Margaret (Peggy) Ayer, Assistant Staff Secretary

1971 - 72 EXECUTIVE COMMITTEE



David G. Burchell

Chairman

Bras d'Or, N. S.



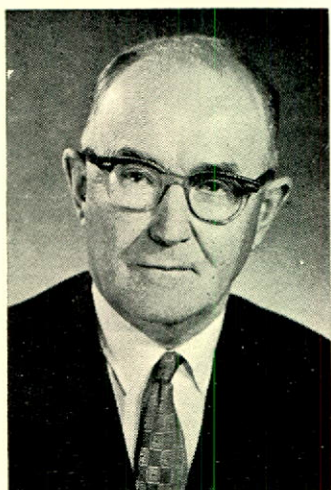
F. R. RAND

Vice Chairman (N. B.)

Director

Enamel & Heating Products Limited

Sackville, N. B.



GERALD HANDRAHAN

Vice Chairman (P. E. I.)

Manager

Tignish Cooperative Association Ltd.

Tignish, P. E. I.

1971 - 72 EXECUTIVE COMMITTEE



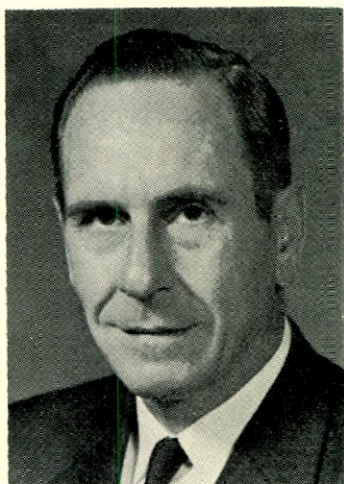
N. H. SMITH

Vice Chairman (Nfld.)

Vice President Merchandise

Steers Limited

St. John's, Nfld.



C. L. WECKMAN

Vice Chairman (N. S.)

Vice President & General Manager

Dover Mills Limited

Halifax, N. S.



CRAIG S. DICKSON

Executive Manager

Moncton, N. B.

ATLANTIC PROVINCES TRANSPORTATION COMMISSION

ITS ORIGIN

Dissatisfied in 1925 with the economic progress of the then three Maritime Provinces, the Maritime Provinces Board of Trade tackled the transportation problems that were considered to be the major factor inhibiting the economic growth of the region. A Transportation Manager was secured with the approval and financial support of the Maritime Governments. In 1950 the Commission was expanded to include Newfoundland. The Commission's name was changed on April 1, 1969 from the Maritimes Transportation Commission to the Atlantic Provinces Transportation Commission.

ITS OBJECTS AND PURPOSES

. . . to obtain the best transportation services possible at the lowest possible cost for persons and industries within the four Atlantic Provinces.

ITS DIRECTORS

. . . . consist of prominent professional and business men and government officials appointed by the four Atlantic Provinces Governments, the Maritime Provinces Chamber of Commerce and the Newfoundland and Labrador Chamber of Commerce. Meetings of the Directors on policy issues consist of an annual meeting plus generally two or three additional meetings.

ITS OFFICE AND STAFF . . .

The Commission maintains an office at 128 Highfield Street, Moncton, N. B. where the Executive Manager and his staff of eight carry out the many and varied activities coming before the Commission.

ITS SERVICES INCLUDE

- representations to regulatory boards on transportation matters affecting the Atlantic Provinces;
- preparation and presentation of submissions to fact-finding bodies concerning transportation as it affects the Atlantic Provinces;
- negotiations directly with carriers by rail, road, water and air for changes in rates or services or both to benefit the region or a specific industry group or groups;
- technical advice and assistance to specific companies negotiating with carriers for changes in rates or services including the preparation of material for presentation to the carriers;
- representations to Governments and governmental agencies for both improvements in and additions to transportation facilities and services;
- specific studies respecting transportation for industrial development agencies, groups or specific industries;
- advice and assistance on transportation matters to individuals, corporations and trade groups doing business in the Atlantic Provinces;
- dissemination of advice on transportation changes in rates or services which affect directly or indirectly the competitive position of Atlantic Provinces industry;
- publication of an educational and advisory newsletter "Tips and Topics" at regular intervals.

ITS SERVICES ARE FREELY AVAILABLE TO YOU

GENERAL TRANSPORTATION REVIEW

Rail

Spurred by traffic increases in import automobiles, iron and steel, salt, sugar, lumber and other commodities, Canadian National reported higher freight revenues in the Atlantic region in 1971 than the previous year. Increased traffic was recorded in the carriage of containers and piggyback trailer vans. New or additional industrial tracks were installed to service 44 new or expanding industries in Canadian National's Atlantic Region during the calendar year 1971.

System statistics for Canadian National are not available at year end as the company's annual report has not been tabled in the House of Commons.

CP Rail statistics on the other hand are available system wide but with little public information available of the trends on its lines in New Brunswick and its associate company's lines in Nova Scotia. System wide, CP Rail reported a 19% increase over 1970 in its net railway earnings with freight earnings being 9% higher than the previous year. The net railway earnings reached the highest level since 1966. Improvements in Canada's economy in the last half of the year overcame disappointing results in the first half. Shipments of automobiles and parts, grain and lumber and piggyback moved in greater volume in 1971 than the year previous.

Through its new statistical reports, Statistics Canada reported the following changes in traffic handled by the Canadian railways:

Selected Statistics of Railway Carloadings
1970 and 1971

	1971	1970	Per Cent Change
Carload traffic loaded (tons x 000)	210,670	205,930	+ 2.3
Non-carload traffic loaded (tons x 000)	1,368	1,281	+ 6.8

During the year both railways moved toward consolidating into centralized service centers the services that their local station agents had formerly provided.

Highways

Some progress was made during the year towards the implementation of Part III of the National Transportation Act to bring extra-provincial highway transport under federal control. In April 1971 a committee made up of representatives from both federal and provincial regulatory agencies was formed. This Federal-Provincial Advisory

Council was to draft regulations to govern inter-provincial truck operations as well as a plan of implementation and have these in final form by April 30, 1972. A proposed draft of regulations under Part III was completed in the fall of 1971 and circulated among the major trucking associations in Canada for their views and suggestions which were to be made known by January 3, 1972. At year end it is understood that the target date of April 30, 1972 for the completion of the Advisory Council's work is still expected to be met and then it will be up to the Ministerial level of the ten Provinces and the Federal Government to decide upon the course of action to take in implementing or not Part III of the National Transportation Act.

During the year reviewed herein, Orders in Council were issued by the New Brunswick, Prince Edward Island and Newfoundland governments to amend that portion of the Motor Carrier Act regulations covering the filing of tariffs. These Orders in Council were issued so that difficulties in filing of valid claims for assistance under the Atlantic Region Freight Assistance Act might be avoided. The legislation eased the problem many carriers had encountered in making the retroactive claims allowed under provisions of the Acts and their Regulations. A similar change in filing procedure was required by Nova Scotia, although in that Province it was necessary to have amending legislation passed by the Legislature. In the spring of 1972 an amendment to the Motor Carrier Act was introduced in the Legislature but at year end the bill had not received third and final reading.

During the year under review herein, the Atlantic Provinces Transportation Commission urged the Council of Maritime Premiers in their consideration of highway transport and motor vehicle regulations to give consideration to a method by which both private and commercial truckers could avoid paying fuel tax more than once for the same fuel. This situation arises where fuel is purchased in one Province (usually in cases where the operator has his own private fuel tanks) and on which tax is paid to that Province. Under existing regulations he must pay tax on fuel used in an adjoining Province. He does not object to paying this tax to that Province but does object to not being able to receive a refund of the tax paid on the fuel in the first Province. This Commission takes the position that some method must be found by which this double taxation could be avoided. ,

The submission made by the Atlantic Provinces Transportation Commission to the Maritime Premiers in January 1971 has been referred to the Council of Maritime Premiers for action and the various subjects covered therein are being studied by a number of sub-committees of that Council.

Many sections of highway formerly subject to "spring weight" restrictions in Nova Scotia remained open to vehicles loaded to summer weights in the spring of 1972. This easing of the application of "spring weights" reflects the policy of authorities in Nova Scotia to permit full allowable weights as sections of the highway system are up-graded

or to permit the use of certain sections of restricted road so that access to all-weather highways is available to a greater number of users.

A change in Nova Scotia's Motor Vehicle Act regarding the loading of trucks was also approved by Order-in-Council during the spring of 1972. The new loading regulations are far more detailed than those in force in the other Atlantic Provinces and those affected by them were consulted in the process of the preparation of such regulations.

During the past year British Columbia and Quebec joined Newfoundland, New Brunswick and Ontario in permitting gross weight limits which make the operation of double trailer combinations feasible. On July 1, 1971, British Columbia brought into effect regulations which permit gross vehicle weights of up to 120,000 pounds and introduced a novel method of calculating permissible axle loadings. A section of the British Columbia regulations provides for the requirement that truck power plants produce at least 1 horse power for 300 pounds maximum gross weight for vehicles exceeding 78,000 pounds but allows two years (December 1, 1974) before this becomes mandatory. Quebec's new weight legislation came into force in February 1972 and allows vehicles of up to 118,000 pounds to operate on all "Class A" highways within the province. Permissible axle weights in Quebec became the highest permitted anywhere in Canada; 38,000 pounds for tandem axles and 22,000 for single axles but they are not higher than those permitted in many of the northeastern states of the United States.

Air

After experiencing a net loss during its 1970 operations, Air Canada was able to show a modest profit in 1971, most of which was generated in the final quarter of the year. Yves Pratte, Chief Executive Officer and Chairman of the Board of Air Canada, in presenting the Company's Annual Report, told the Minister of Transport that an up-turn in economic trends coupled with a rigorous control of costs were responsible for the profitable year. Mr. Pratte, however, pointed out that traffic and revenue growth had been very low and in the case of passengers carried, there was actually a decline. As was the case last year, a report of the financial position of Eastern Provincial Airways has not been released by Statistics Canada although operations data has been made available.

	Air Canada			Eastern Provincial		
	1971	1970	%	1971	1970	%
Revenue Passengers Carried	7,436,000	7,464,000	- 0.4	298,352	256,697	+11.6
Revenue Passenger Miles (x 000)	6,426,830	6,427,811	—	139,147	111,986	+12.4
Freight ton Miles	201,493,000	184,782,000	+10.9	2,091	2,101	- 0.5
Passenger load factor	55%	57%		34.3%	31.1%	
Net Income (loss after taxes)	1,662,000	(1,072,000)		n/a	n/a	

Source: Statistics Canada.

During the year Air Canada introduced three 350-seat Boeing 747 aircraft to its fleet, utilizing them on high volume domestic corridors as well as in North Atlantic service. Interim financing arrangements for Rolls Royce have apparently guaranteed the delivery of the Lockheed L-1011 but have set back the delivery of those aircraft ordered by Air Canada. Air Canada now expects to receive the aircraft on the following schedule:

1972	1973	1974	1975
<u>1</u>	<u>2</u>	<u>5</u>	<u>2</u>

Plans for the construction of Boeing's 2707 supersonic passenger aircraft were cancelled when the United States government refused to provide additional financing for its construction. Air Canada, however, has maintained its delivery positions for the Franco-British Concorde.

The spring of 1971 saw the last scheduled flight of the Vanguard in passenger service in Canada. Air Canada, however, retained one of the aircraft to service the air cargo needs of the Atlantic region.

By a decision of the Air Transport Committee of the Canadian Transport Commission, Air Canada was permitted to terminate its service to Goose Bay from Montreal. The decision indicated that the Canadian Transport Commission was satisfied that Eastern Provincial Airways could adequately replace the national carrier on this route. Later in the year, Eastern Provincial was granted permission by the Committee to suspend operations to Summerside for a two-year period. Shortly after the suspension was granted, Robert's Air Service applied for a license to operate a non-scheduled passenger service between Summerside, Charlottetown and Moncton.

Eastern Provincial Airways announced that beginning April 30 it would inaugurate a new service connecting Charlottetown-Halifax-Fredericton-Chatham-Charlo and Montreal. The schedule would provide a morning and evening flight in each direction connecting the three Maritime capitals and filling a void of air service between the Northeast coast of New Brunswick and its capital city. The new schedule, however, will replace the Moncton-Chatham-Charlo-Montreal service.

During the year CP Air expressed considerable interest in extending its service to Halifax and indications were that the matter had progressed to the point of discussions with the Federal Government. At year end, the Canadian Transport Commission has not indicated publicly whether CP Air has filed such an application.

A combination of sharp increases in domestic air fares by direct and indirect price adjustments and fierce competition for North Atlantic

traffic by international carriers led to even greater than usual differences between domestic and international air fares over similar distances. The differences became so great that they became the subject of many questions in the House of Commons and complaints were directed to the Minister of Transport. The Minister asked Air Canada to institute some form of lower air fare structure through a discount scheme. Air Canada's response to these complaints was to say that lower fares were available under certain circumstances but also that the airline was looking for other ways of offering lower domestic fares. Up to the time of writing, the domestic excursion fares offered could only be obtained by purchasing tickets two full months in advance of using them and that the return portion of the ticket could not be used before 14 days of the outward trip. Such excursion fares are not available during July and August.

This Commission wrote to Mr. Yves Pratte, Chairman of Air Canada, urging the adoption of a more realistic domestic excursion fare structure. In responding to this Commission's letter Mr. Pratte indicated that his company was actively exploring an improved means of responding positively to the excursion type traveller while "maintaining the integrity of" the company's domestic services.

Late in 1971 a new air service operated by Labrador Airways Ltd. commenced operations of a twice-weekly service from Goose Bay to coastal communities on the Labrador coast both north of and south of Goose Bay.

Ports

Although traffic through the ports of Saint John and Halifax in 1971 fell off from the level recorded the year previous, there were remarkable increases in container handlings. A number of factors were responsible for the growth, the major ones being that the container terminals only came into full operation during the year; more users were attracted to these facilities; and that a longshoremen's strike affecting eastcoast United States ports diverted a portion of American traffic to the Maritime ports. While containers were being handled at both Saint John and Halifax ports prior to the official opening of the Halifax facilities in September, full capabilities were probably not in existence for the whole year. Even before the Halifax container terminal was officially opened, studies were under way to locate a suitable site for a second additional container pier while Saint John officials were said to be considering the need for a second crane for Brunterm's operations.

New shipping services were attracted by both Halifax and Saint John in the container as well as conventional and specialized shipping fields. Many established services were expanded. In the spring of 1971, Atlantica Lines a consortium of the Fabre, Hansa and Fassio Lines announced that it would be operating its container vessels between Saint John and Mediterranean ports on an 8 to 10 day

frequency. Later in the year, Associated Container Transport's *ACT 3* became the first vessel to use Brunterm's container facilities by unloading cargo from Australia and New Zealand, while an Atlantica Lines' ship out of Mediterranean ports called at the terminal a few days later. Before year's end, Commonwealth Carriers Limited announced their intention to bring their container ships into Saint John during winter months. In April 1971 Columbus Line made its first call at Halifax's container terminal which was followed shortly thereafter by their new ship, the *New Zealand*, the first of the Company's 1,200 container, 22-knot ships to provide service between Canada, New Zealand and Australia. The *New Zealand* was joined later in the year by two sister ships, the *Australia* and the *America*. In February 1972 Zim Container Service announced that a fortnightly full container service to Halifax would commence with the sailing of the *New York* to the Far East. Zim officials said that the *New York* would be joined by three other 1,400 container sister ships before the year end and that with the launching of two more similar vessels during 1973, the Company would also offer a weekly container service to Mediterranean ports.

Automobile handling facilities were among the highlights of developments at Saint John and Halifax during 1971. Computer Automated Transport, Canadian National Railways and the Province of Nova Scotia formed a consortium to operate the former Fairey Aviation buildings and land in Dartmouth as a service and distribution terminal for import automobiles. It is said that the facility will easily handle 80,000 units per year. Up to the time of writing, a number of auto manufacturers are shipping through the centre. At Saint John the construction of a combined auto and forest products handling facility, announced in October 1970, was delayed while plans for a "mid harbour" container terminal were being studied. In the meantime, autos and forest products were being handled at the piers used in the past years. If the "mid harbour" terminal plans were realized it is suggested that automobiles would be handled at the present container terminal.

Of special interest to shippers in the Atlantic region was the announcement that a roll on/roll off coastal service between St. John's, Halifax, Saint John and Boston by Trident Shipping will be established in 1972. The Company plans a two week frequency using the ro-ro vessel *Travetal*. This service will carry automobiles from Halifax to Newfoundland.

In October 1971 Canadian Pacific instituted a roll on/roll off service between Saint John, N. B. and the Newfoundland ports of St. John's and Corner Brook. This service in the beginning will primarily handle new automobiles destined to Newfoundland.

Statistics for the National Harbours Board ports in the region are found in the Table below:

**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 THE PAST TWO YEARS**

ALL CARGO

Calendar Year	<u>Saint John</u>	<u>Halifax</u>	<u>St. John's</u>	<u>Belledune</u>	<u>Total</u>
1971	5,803,304	11,307,747	868,541	247,653	18,227,243
1970	6,359,144	10,577,000	772,304	229,030	17,937,478
Increase or (Decrease)	(555,840)	730,747	96,237	18,623	289,765
% Change	-8.8	6.9	12.5	8.1	1.6

GENERAL CARGO

Calendar Year					
1971	1,121,625	1,240,183	299,042	n/a	2,660,850
1970	1,221,051	802,338	159,198	n/a	2,182,587
Increase or (Decrease)	(99,426)	437,845	139,844	n/a	478,263
% change	-8.2	54.6	87.8		21.9

ALL CARGO

Jan. Feb. Mar.					
1972	1,545,804	3,110,806	267,809	9,919	4,934,338
1971	1,768,756	2,939,405	195,282	38,512	4,941,955
Increase or (Decrease)	(222,952)	171,401	72,527	(28,593)	(7,617)
% Change	-12.6	5.8	37.1	-74.2	-0.2

GENERAL CARGO

Jan. Feb. Mar.					
1972	308,380	446,500	57,366	n/a	802,246
1971	405,647	228,464	28,635	n/a	662,746
Increase or (Decrease)	(97,267)	218,036	28,731	n/a	139,500
% Change	-24.0	95.4	100.3		21.0

**CONTAINER CARGO TONNAGE AT N.H.B. PORTS OF
SAINT JOHN, N. B. AND HALIFAX, N. S. FOR THE
YEARS ENDING DECEMBER 31, 1970 AND 1971 AND FOR
THE FIRST QUARTERS OF 1971 AND 1972**

<u>Calendar Year</u>	<u>Saint John</u>	<u>Halifax</u>
1971	138,346	695,712
1970	89,811	253,675
Increase or (Decrease)	48,535	442,037
% Change	54.0	174.3
Jan. Feb. Mar.		
1972	74,767	206,065
1971	31,064	132,054
Increase or (Decrease)	43,703	74,011
% Change	140.7	56.0

Source: National Harbours Board
Statistics Canada.

Ferries

As can be seen in the accompanying table, ferry traffic in the Atlantic Provinces again showed the very large increase of past years. The volume handled by Canadian Pacific's Bay of Fundy service with a new vessel and scheduling was particularly outstanding. The *Prince of Fundy*, in her first full year of operation, also showed sizeable traffic gains and especially so in truck handlings. Passenger and auto traffic on the North Sydney - Argentia ferry again increased although commercial vehicle operators seem disinclined to use it; an average of only two trucks, trailers, or tractor trailer combinations per trip being carried during the 1971 operating season.

Traffic Figures for the calendar year 1971 for the major services are listed below (1970 figures in brackets):

<u>Service</u>	<u>Passengers</u>	<u>Automobiles</u>	<u>Trucks</u>
Cape Tormentine — Borden	1,219,799 + 15.7% (1,054,647)	474,090 + 37.8% (343,998)	61,831 + 12.8% (54,839)
Wood Island — Caribou	360,700 + 3.4 (348,773)	103,192 + 1.1 (102,077)	32,321* + 3.1 (31,356)
North Sydney — Port aux Basques	220,080 + 7.3 (205,169)@	48,220 + 9.2 (44,138)@	7,856 + 31.0 (5,997)@
Yarmouth — Bar Harbour	88,849 — 16.4 (106,257)	24,269 — 20.1 (30,373)	1,021 — 52.3 (2,140)
Yarmouth — Portland	94,708 + 35.5 (69,881)**	20,613 + 33.5 (15,444)**	3,990 + 135.7 (1,693)**
Saint John — Digby	170,000† + 74.0 (97,695)	40,000‡ + 110.0 (19,990)#	n/a
North Sydney — Argentia	24,274 + 31.1 (18,515)	6,401 + 23.1 (5,200)	193 — 23.1 (251)

* — includes buses

@ — corrected figures from 1970-71 edition

** — June 24 - December 31, 1970

— Princess of Nanaimo unable to carry large trucks (in service to June 1, 1971)

‡ — Princess of Acadia commenced service June 1, 1971; figures shown are approximate.

The ferries *Holiday Island* and *Vacationland* came into service during the early part of the summer season in Canadian National's Northumberland Strait service and the *Lucy Maud Montgomery* and *John Hamilton Gray* were transferred to service between North Sydney and Port aux Basques during the peak travel period. Both vessels will again be used in the Gulf Service during the summer of 1972. Late in the year, the hull for a third ferry to service Northumberland Ferries Limited's Caribou-Wood Island connection was launched at Pictou — 249 feet long with a speed of 14 knots, the vessel will carry 60 automobiles and 300 passengers when she comes into service in the late summer of 1972. \$472,000 is being spent on improvements to terminal facilities at Caribou, N. S.

On May 24th, 1971 Canadian National announced that it would increase fares and charges for all ferry services that it operated in the Atlantic region. The increases, which ranged up to 70%, raised considerable protest within the Provinces affected. At first the federal government declined to interfere with the increases but within a few days of the refusal the Minister of Transport announced that the increases would be considerably scaled down for both the Newfoundland and Prince Edward Island services. Increases announced for the Bar Harbour/Yarmouth ferry, however, were not altered and went into effect June 14th.

A number of factors, the *Bluenose's* fare levels among them, led to considerable traffic losses for this New England/Nova Scotia service during 1971. These losses coupled with Lion Ferry AB's announcement in October that they would replace the *Prince of Fundy* with a new, larger vessel during the summer months by 1973 and the age of the *Bluenose* led to speculation about the existence of plans for the vessel's future. At time of writing, no announcements about such plans have been made by the Minister of Transport, other than to say that various possibilities are being considered.

GENERAL LEVEL OF RATES

Rail Rates - Domestic

Consistent with the trend since the lifting of the "freeze" governing certain rail rates applying from, to or within the Atlantic Provinces, the Canadian railways implemented two separate increases during the past year. These are as follows:

<u>Date</u>	<u>Tariff</u>	<u>Amount</u>
August 23, 1971	C.F.A. 1002	3 to 6%
February 14, 1972	C.F.A. 1003	3 to 8%

Both increases were applied to most class and commodity rates throughout Canada. As is customary, these increases were not applied

to agreed charge rates, nor to international rates between Canada and the United States.

A somewhat uncommon feature of the last of these increases (C.F.A. 1003) insofar as Canadian domestic traffic is concerned is the application of "hold-downs" on certain commodities. Included among these are lumber, newsprint paper, pulpwood and woodpulp.

The last of these increases represents the eighth in a series since September 23, 1969 with the lifting of the rail rate freeze. While this might be claimed a "catching-up" process, the burden of this increase is apparent from the following table:

**TABLE SHOWING CUMULATIVE RAIL RATE INCREASES
DURING PERIOD SEPTEMBER 23/69 TO FEBRUARY 14/72**

	<u>Cumulative Increase</u>	<u>Average Per Year</u>
Non-Competitive Rates:-		
Within the Atlantic Provinces	35 to 68%	15 to 28%
Between the Atlantic Provinces and Central Canada	31 to 64%	13 to 27%
Competitive Rates	27 to 40%	11 to 17%

A complete tabulation of general rail rate increases implemented since the lifting of the rail freeze on September 23, 1969 is shown on page 19.

As reported in last year's Annual Report, the higher increase in non-competitive rates covering traffic moving **within** the Atlantic Region stems from the implementation of an additional increase of 3.125% to recover a reduction in the rail subsidy under the Maritime Freight Rates Act of from 20 to 17½ %. This became effective on February 6, 1971. As reported elsewhere in this report no further reduction was made during the past year in the amount of subsidy.

Agreed Charges which, by their very nature, cannot be unilaterally increased except by written notification to the individual signatory shippers, were with few exceptions increased by 6% on August 4, 1971. This likewise follows the pattern of the preceding two years. In effect, therefore, agreed charge rates have been advancing less rapidly than rail rates generally.

Less than Carload (**LCL**) station to station freight rates remained in effect during the past year for traffic moving from, to and within the Atlantic Region, except that they were subject to the two general increases referred to above. It will be recalled that this category of

TABULATION OF RAILWAY GENERAL FREIGHT RATE INCREASES COMMENCING WITH SEPT 23/69

Territory A—From, to and within the Atlantic Provinces (not including Territory B). Territory C—Within Central or Western Canada.

Territory B—Between the Atlantic Provinces and Western Canada. Territory D—Between Central and Western Canada.

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Date	Tariff	Territory A		Territory B		Territory C		Territory D	
		Competitive	Non-Competitive	Competitive	Non-Competitive	Competitive	Non-Competitive	Competitive	Non-Competitive
Sept. 23/69	CFA 76-D ("Bridge" Subsidy)	—	—	—	6.9c per cwt + 2.56%	—	—	—	—
	CFA 85	—	6 to 12%	—	6 to 12%	—	—	—	—
	CFA 87	—	*3 to 5%	—	*2 to 5%	—	—	—	—
Jan. 22/70	Supp. 1 CFA 98 (Exp. Feb. 28/70)	2%	—	2%	—	2%	4%	2%	4%
Mar. 1/70	CFA 98	4 to 8%	—	4 to 8%	—	4 to 8%	4 to 8%	4 to 8%	4 to 8%
Mar. 23/70	CFA 76-D ("Bridge" Subsidy)	—	—	—	2.6c per cwt + 1.01%	—	—	—	2.6c per cwt + 1.01%
Apr. 6/70	CFA 88	—	#5 to 8%	—	4 to 8%	—	—	—	—
Aug. 3/70	Agreed Charges	6%	6%	6%	6%	6%	6%	6%	6%
Sept. 1/70	CFA 99	3 to 5%	3 to 5%	3 to 5%	3 to 5%	3 to 5%	3 to 5%	3 to 5%	3 to 5%
Feb. 6/71	CFA 1001	—	#3.125%	—	—	—	—	—	—
Mar. 1/71	CFA 1000	4 to 8%	4 to 8%	4 to 8%	4 to 8%	4 to 8%	4 to 8%	4 to 8%	4 to 8%
Aug. 4/71	Agreed Charges	6%	6%	6%	6%	6%	6%	6%	6%
Aug. 23/71	CFA 1002	3 to 6%	3 to 6%	3 to 6%	3 to 6%	3 to 6%	3 to 6%	3 to 6%	3 to 6%
Feb. 14/72	CFA 1003	3 to 8%	3 to 8%	3 to 8%	3 to 8%	3 to 8%	3 to 8%	3 to 8%	3 to 8%

* Not applicable on LCL "Station to Station" rates.

Within the Atlantic Provinces (M.F.R.A. Territory) only.

rates was cancelled on January 2, 1969 insofar as it applied elsewhere in Canada. Cancellation of these rates on Atlantic Provinces traffic was withheld by the railways and the matter was referred to the Federal-Provincial Committee on Atlantic Region Transportation. No further developments have taken place.

Non-Carload rail **express** rates applying from, to and within the Atlantic Provinces were not increased during the past year. In fact, these rates have been maintained without significant alteration since they were established on September 1967.

Rail piggyback Plan 11 rates (door to door service using railway operated semi-trailers and transported on railway supplied flat cars) between the Maritimes and Central Canada were exempted from general increases during the past year, but increases have been published between Ontario and the Maritimes to be effective in May 1972. In contrast, corresponding rates within Central Canada were increased in December 1971 by from 3 to 6% following similar increases in truck rates within that area. Similarly, most rail piggyback rates between Eastern and Western Canada, including the limited number of these published from the Maritimes, were increased in January 1972 by 4 to 8%.

Rail Rates - International

It was reported in last year's Annual Report that this Commission made representations to the Canadian railways seeking a reduction from 14 to 12% in the general increase under Tariff X-267-B effective April 12, 1971 between points in Eastern Canada and the Eastern United States. This request was based on the fact that rates between Eastern United States and other United States territories were in-

creased by the lower amount, thus providing an advantage to shippers in the Western and Southern U. S. when shipping to Eastern U. S. markets in competition with Eastern Canadian shippers.

Following these representations, which were supported by several national organizations, rates on woodpulp and newsprint paper were reduced in July 1971 to reflect a lowering of the increase from 14 to 12%. Sometime later the railways issued further tariff amendments reducing the class rates applying between Eastern Canada and the Eastern United States to reflect the same adjustment. This change became effective on March 1, 1972.

A further general increase in rail freight rates was implemented on U. S. and international traffic between Canada and the United States under Tariff X-281. This increase became effective on February 5, 1972 and, with certain exceptions, all charges for line haul transportation were advanced by 2½%. Designated as an interim surcharge the increase was designed to provide an immediate boost to the

carriers revenues and to be followed at a later date by a general increase on a selective basis.

Similar to the preceding general increase under Tariff X-267-B, certain exemptions and hold-downs were provided between points within the United States at the exclusion of the same commodities originating in Eastern Canada. Two notable examples are potatoes from Maine to the Eastern U. S. and woodpulp from Maine to the Southern U. S. This Commission again communicated with the Canadian railways through the Canadian Freight Association and received assurance that the competitive position of Maritime producers of potatoes and woodpulp would be protected under the general increase to replace the 2½ % interim surcharge.

The railways subsequently filed Tariff X-281-A reflecting increases ranging up to 10% to replace the interim surcharge to become effective on May 1, 1972. The following list shows the increase under this tariff on certain commodities of specific interest to shippers and receivers in the Atlantic Provinces:

	<u>Amount of Increase</u>
1) Class Rates	6%
2) Lumber	5%, maximum 4¢ per 100 lbs. (4% within the Southern Territory)
3) Canned and Preserved Foodstuffs	4%, maximum 4¢ per 100 lbs.
4) Newsprint	3% (No increase within the Southern Territory)
5) Potatoes, to Northeastern United States	No Increase
6) Peat Moss	10%
7) Charcoal Briquettes	No Increase
8) Woodpulp	No Increase
9) Zinc and Lead Ores	5%
10) Fresh and Processed Fish	4%
11) Pulpwood, Pulpwood Chips, Logs	6%

It will be noted that Eastern Canadian producers of woodpulp and potatoes are not in this instance being treated differently than their U. S. counterparts since both commodities have been exempted either in whole or in part without distinction as to the origin of the traffic.

As is customary, these increases apply to export and import rates via Eastern Canadian ports to the extent that such traffic moves under rail rates maintained on a parity with or differentially related to one or more of the United States North Atlantic ports.

Prior to the May 1, 1972 effective date of the new increase tariff, the Interstate Commerce Commission, at the urging of the U. S. Price Commission, suspended the higher increase under Tariff X-281-A to November 30, 1972. During the period of suspension the interim surcharge of 2½ % under Tariff X-281 will apply.

Dating back to November 1969, and reported in the last two Annual Reports, an increase of 4 cents per 100 lbs. (from 12 to 16 cents per 100 lbs.) in the terminal charge (otherwise known as an increase in waterborne freight charges) assessed by the railways at U. S. North Atlantic, Canadian and Pacific ports has again been disallowed by the Interstate Commerce Commission.

Export and Import Rates

This increase has been the subject of involved court proceedings during the past two years. The latest order of the Interstate Commerce Commission requires the railways to cancel the increase within 30 days of the date of its order which was issued March 30, 1972. Tariff cancellations have been received by this Commission instituting the cancellation and reinstating the waterborne rail charge of 12 cents per 100 lbs. in lieu of 16 cents, effective during April, 1972.

Truck Rates

There were no major increases in truck rates **within the Atlantic Provinces** during the past year. At the conclusion of the year however there were indications that a number of highway carriers were preparing to implement increases in the coming months and the likelihood of this will be manifested in the event the 17½ % subsidy under the Atlantic Region Special Transportation Assistance Regulations is reduced to 15%.

Similar to the situation within the Atlantic Provinces, there were no general increases during the past year in truck rates **between the Atlantic Provinces and points in Quebec**. Rates between the Atlantic Provinces and points in Quebec are published by the Quebec Tariff Bureau on behalf of member carriers. All major highway carriers operating between these regions are members of that Bureau. It is pertinent to record that the Quebec Tariff Bureau published a new tariff (Q. T. B. #120) replacing the former tariff (Q. T. B. # 200-H) of class and commodity rates between the Maritime Provinces and Quebec. The new tariff became effective on January 3, 1972 and its preparation represented many months of work on the part of the Q. T. B. The new tariff is a significant improvement over the former tariff and this Commission wishes to record its appreciation for the opportunity to submit suggestions to the Quebec Tariff Bureau as to format and content (but not the level of rates) of the new publication.

At the conclusion of the year under review each of the for hire highway carriers offering a service **between Ontario and the Maritimes**

increased their rates by 6 to 10%, depending on the shipping weight, which became effective during the early part of April 1972. As mentioned earlier, prior to the closing date for printing this report the railways issued a supplement to their tariff of Plan 11 (door to door) piggyback rates implementing identical increases between Ontario and the Maritimes to become effective on May 29, 1972.

An additional tariff change published by several of the highway carriers between Ontario and the Maritimes during the year was an increase in the minimum chargeable weight for so-called bulky shipments of from 10 to 15 lbs. per cubic foot. Indications are that this same change will be published between Quebec and the Maritimes as well as within the Atlantic Provinces in the coming months. This change will have the effect of making the highway carriers non-competitive with pool car and rail express for goods which are less than 15 lbs. per cubic foot.

International truck rates between the Maritimes and points in the New England and Middle Atlantic States via the New England gateways were ~~not~~ increased during the past year. However, at the conclusion of the year a supplement was issued to the tariff of rates between the Maritimes and the Middle Atlantic States reflecting an increase of 2% in truckload rates and 5% in less than truckload rates to become effective on May 30, 1972. A similar increase between the Maritimes and the New England States is expected to follow shortly.

Pool Car and Water Rates

Both pool car and water rates from Central Canada to **Newfoundland** were increased by approximately the same amount and within a month of each of the two rail rate increases referred to earlier. The increases involved were 3 to 6% in the late summer of 1971 and 3 to 8% in March 1972.

From Ontario points covered by pool car rates to the **Maritime mainland** increases ranging from 4 to 8%, depending on the weight and commodity, were issued just prior to the close of the year to become effective on April 15, 1972. The effective date of this increase roughly corresponds to similar increases published by highway carriers and rail piggyback operators between Ontario and the Maritimes. Pool car rates from Montreal, Que. to the Maritime mainland were exempted for the present from this increase.

ATLANTIC REGION FREIGHT ASSISTANCE ACT

During the year covered by this review, the Atlantic Provinces Transportation Commission received many requests from shippers, consignees and for-hire highway operators for advice and assistance in claiming assistance under the Atlantic Region Freight Assistance Act on truck shipments moving both within the region and westbound from

the region. This Commission does not attempt to do any of the necessary paper work for the companies but explains the procedures and documentation necessary to become certified as eligible to claim assistance on highway movements.

The following statistics on the operation of the Atlantic Region Freight Assistance Act have been received either from the Canadian Transport Commission or gleaned from Hansard or from information supplied to members of the House of Commons Standing Committee on Transportation and Communications:

Payment to Household Goods Movers	—	July 15, 1969 to March 31, 1972	
Westbound only			\$569,803

Payment to all Highway Carriers, including
Household Goods Movers Westbound

<u>Westbound</u>	—	July 15, 1969 to Mar. 31, 1971 (20 months)	\$2,070,832
	—	Apr. 1, 1971 to Mar. 31, 1972 (12 months)	1,547,064
		Total	\$3,617,896
<u>Intra-Regional</u>	—	October 1, 1970 to Mar. 31, 1971 (6 months)	\$ 210,387
	—	April 1, 1971 to Mar. 31, 1972 (12 months)	5,526,644
		Total	\$5,737,031

Statistics are not available to indicate what proportion of these subsidies have been paid on shipments originating in the Province of Quebec.

It will be recalled that if the amount of subsidy paid to railway companies under the Maritime Freight Rates Act is reduced by Order-in-Council the Atlantic Region Freight Assistance Act requires the Canadian Transport Commission to certify at the end of each calendar year the amount of compensation that would have been paid out of the Consolidated Revenue Fund to the railways had the change not

occurred. Such moneys are to be used for the payment of special assistance. At the time of preparing this report, this Commission has not been able to learn whether this certification has in fact taken place and if so the amount so certified. The amount to be certified would relate to the reduction from 20% to 17½% in the subsidy paid on rail shipments effective January 27, 1971 when Order in Council P. C. 1970-2014 became effective.

When the Atlantic Region Freight Assistance Act was effected express movements by rail, which under the Maritime Freight Rates Act were excluded from the provisions of that Act, became entitled to subsidy on July 15, 1969. However, it was not until February 4, 1972 that the railways applied to the Canadian Transport Commission for authority to claim subsidy on express shipments. This authority was

granted by the Canadian Transport Commission on February 8, 1972 effective February 13, 1972.

On March 14, 1972, the Minister of Transport announced that the reduction of 2½ % in the subsidy paid under the Maritime Freight Rates Act on rail shipments and under the Atlantic Region Freight Assistance Act on truck shipments would **NOT** be effected as had originally been planned on April 1, 1972. He indicated that he was deferring this reduction in subsidy "until a later date" in order to allow an opportunity to study the second report of the Federal-Provincial Committee on Atlantic Region Transportation.

This Commission continues to express its concern over the fact that the federal government has not yet prepared any regulations under Section 6 of the Atlantic Region Freight Assistance Act to provide for payment of special transportation assistance to shippers and consignees, in the words of that section, "... to enable them to compete on more favourable terms with shippers or consignees located outside the select territory ...". Furthermore, the Atlantic Provinces Transportation Commission has continued to express its opposition to the payment of subsidies to used household goods movers which does nothing to benefit the industrial economy of the region but merely assists the movement of people from the region, and it has continually sought the calculation and payment of the subsidy to highway carriers on the same basis as that paid to the rail carriers. At the present the subsidy payment to a highway carrier is several percentage points lower than the subsidy payment to a rail carrier because of the method of calculating the subsidy.

FEDERAL-PROVINCIAL COMMITTEE ON ATLANTIC REGION TRANSPORTATION

This Committee was created in 1969 by the federal Minister of Transport to undertake a —

"Detailed examination of the Maritime Freight Rate Assistance on rail traffic within the Region. Review of all subsidized water

transport services into or out of the region or wholly within the Region. Recommendation of possible revisions or improvements in the provision of these services. Consideration of possible subsidy on outbound air and waterborne freight from the Region. Examination in detail of economic effects of the outbound assistance under the Maritime Freight Rate Act to determine if a more selective approach might not provide a more effective use of the funds provided by Parliament." (1) — ?

It consists of one member from each of the four Atlantic Provinces, one from the Province of Quebec and one each from the Departments of Transport and Regional Economic Expansion.

The Committee submitted its first report in May 1970 which, among other things, recommended the reduction in the rail subsidy on intra-regional shipments under the Maritime Freight Rates Act from 20% to 17½% and the implementation of a 17½% subsidy to highway carriers on like movements. This has been implemented.

The Committee has prepared a second report which was submitted to the Minister of Transport early in March 1972. At year end it has not been made public.

While the Committee is a separate body from the Atlantic Provinces Transportation Commission and this Commission has been given an opportunity to express its views to it on several occasions, the Committee does in fact operate completely independent of the A.P.T.C.

(1) - House of Commons Debates, November 26, 1969, page 1254.

RATES AND CHARGES ON POTATOES

As reported in this Commission's 1970-71 Annual Report, the preparation of material for presentation by the New Brunswick Minister of Agriculture and Rural Development and the Prince Edward Island Minister of Agriculture and Forestry to the two major Canadian railways regarding rates and charges on Potatoes was well in hand at the year's end - March 31, 1971.

Meetings between the Provincial Government Departments, the railways, the potato industry and this Commission were held during April 1971. As a result of such meetings the railways accepted the following recommendations of the joint submission:

1) An increase of 6% in the agreed charge rates on Potatoes to Ontario and Quebec destinations proposed for August 1971 would be deferred for at least one year.

2) The rates on export shipments of Potatoes to Halifax and Saint John would not be increased beyond the 6% increase scheduled to be effective July 1, 1971 (which had previously been deferred from March 1, 1971) until at least July 1, 1972, except that such rates would be increased by the amount of any further reduction in the Maritime Freight Rates Act subsidy on such traffic. ↓ x

3) The assessorial charges for export shipments, (i.e. charges for heater service in transit and at port and refrigerator car detention charges) would not be increased until at least July 1, 1972.

4) Until July 1, 1972, ten days free time would continue to be allowed before the assessment of refrigerator car detention charges on export shipments. (It will be recalled that the railways had proposed to assess such charges after only two days free time as of July 1, 1971.)

5) The railways would participate in a joint committee of government, industry and railway officials in an effort to find ways and means by which some of the problems facing the industry and the railways could be solved or, at least, reduced.

The Atlantic Provinces Transportation Commission staff have been deeply involved in the working of this Committee. It is with regret however that it must be reported that the committee did not succeed in making the progress expected of it.

About the same time your Executive Manager was asked by the Province of Prince Edward Island to participate in a joint study by the P. E. I. Market Development Center and the Canadian National Railways on the Potato industry in that province. It was understood and agreed that the Atlantic Provinces Transportation Commission Executive Manager would not be involved in the preparation or research necessary for this study but rather his participation would be limited more to that of a neutral party able to express some views on the subject. Participation on this Committee, likewise, made heavy demands upon the A.P.T.C. staff.

As a result of these activities in the Potato transportation field during the past year, it is obvious to the Atlantic Provinces Transportation Commission staff that the transportation of Maritime Potatoes faces serious problems in the immediate future mainly because of the obsolescence of the railway car fleet for Potatoes; the infrequent train service on some light density lines; availability of adequate storage space at ports of export; and in the case of Prince Edward Island, the additional handicap of the ferry service.

Despite these problems, this Commission is pleased that through its participation in the meetings with the railways, the Potato industry in New Brunswick and Prince Edward Island benefitted by many thousands of dollars in the past year.

In respect of Potato rates to the United States, after persistent efforts dating back to 1966, the Atlantic Provinces Transportation

Commission is able to report that Canadian National Railways has agreed to permit the rate on Potatoes to New York and other U. S. Atlantic ports to apply on export shipments subject to the usual port terminal charges. This provision was sought by certain exporters for small volume shipments to some countries to which no steamship service was available from Maritime ports.

The Atlantic Provinces Transportation Commission also sought equal treatment for Maritime Potato shipments to the United States under the most recent U. S. general rate increase. As referred to earlier in this review, the railways propose to correct this inequity in its selective rate increases which were scheduled to be effected

on May 5, 1972, but were suspended by the Interstate Commerce Commission until November 30, 1972.

The Potato industry and Government representatives have called upon your Commission's staff for a tremendous amount of technical information and assistance in respect of an inquiry presently being conducted in New Brunswick and, in the case of both Provinces, for representations to the Federal - Provincial Committee on Atlantic Region Transportation.

APPLICATIONS UNDER THE NATIONAL TRANSPORTATION ACT

Public Interest Section

Last year's Annual Report reported that three applications had been filed with the Canadian Transport Commission under the "public interest" section of the National Transportation Act which was then Section 16. In the Revised Statutes of Canada Section 16 became Section 23.

It will be recalled, the respondent railways had objected to the applications under the public interest clause (now Section 23 of the National Transportation Act) by several Canadian pulp and paper producers, arguing that the Railway Transport Committee of the Canadian Transport Commission had no jurisdiction in matters pertaining to international joint rates. The Committee decided that such an objection should be dealt with before going further with the applications. A hearing on this matter was therefore held at Ottawa on October 22 and November 13, 1970. A decision on the hearings was issued June 21, 1971. In that decision, the Railway Transport Committee stated that former Section 16, now Section 23, clearly applied to all rates to, from and within Canada and that to argue that joint international rates could be excluded would be to palce the railways beyond the reach of any law in rate matters once Canadian and foreign rail carriers joined in a joint tariff. On November 8, 1971, the Committee heard evidence on Prince Albert Pulp Company's application for leave to appeal and granted this leave by a decision of February

10, 1972. No hearing has been held to hear evidence on the merits of the application itself of the eastern pulp and paper producers.

Between the time of the objection to the applications of the eastern pulp and paper companies and Prince Albert Pulp Company by the respondent railways, an application under Section 23 had been filed by Agra Industries Limited, Co-Op Vegetable Oils Limited, Western Canadian Seed Producers and the Saskatchewan Wheat Pool. Since the question did not involve international movements in this case, these later applicants were more promptly set down for hearing on the matter of leave to appeal under Section 23. This hearing took place

on April 29 and 30, 1971 and a decision was issued on November 2, 1971. In that decision the Railway Transport Committee granted leave to appeal and subsequently set a hearing date of April 24, 1972 for the applicants to prove their case that the act or acts of the railways were not in the public interest.

Maximum Rate Control Section

On December 2, 1971 the Canadian Transport Commission held a hearing on the first application it has received under the so-called maximum rate control section (formerly Section 336, now Section 278) of the Railway Act as it was amended by the National Transportation Act in 1967. It will be recalled that this section is considered by shipper organizations to be ineffective because the formula for determining the maximum rate under that section is related to 150% above the variable (or out of pocket) costs of moving a 30,000 lb. carload.

The first test of the section was an application by Domtar Ltd. for the determination of "... the probable range within which a fixed rate for the carriage of the goods would fall". The application related to the carriage of liquefied chlorine from Beauharnois, P. Q. to Windsor, P. Q. and Cornwall, Ont.

The opening paragraph of Section 278 reads as follows:

"A shipper of goods for which in respect of those goods there is no alternative, effective and competitive service by a common carrier other than a rail carrier or carriers or a combination of rail carriers may, if he is dissatisfied with the rate applicable to the carriage of those goods after negotiations with a rail carrier for an adjustment of the rate, apply to the Commission to have the probable range within which a fixed rate for the carriage of the goods would fall determined by the Commission; and the Commission shall inform the shipper of the range within which a fixed rate for the carriage of the goods would probably fall."

The Canadian Transport Commission convened the hearing to hear arguments on the following questions arising from the Domtar application:

1. Whether the applicant is a shipper of goods within the meaning of subsection 278(1) of the Railway Act?
2. Whether upon a proper construction of Section 278 of the Railway Act and Section 32 of the Transport Act, the provisions of Section 278 of the Railway Act apply to agreed charges?

The Atlantic Provinces Transportation Commission attended the hearing and intervened in the case insofar as the principles of the

two questions were concerned but took no part in the merits of the specific case of the Domtar application. The Provinces of Alberta, Saskatchewan and Manitoba likewise intervened in the case.

On the specific questions set down for hearing the railways argued that if the applicant had an alternative means of transport he was **not** a shipper within the meaning of Section 278(1) of the Railway Act. This Commission argued, as did the Western Provinces, that not only did the alternative service have to exist but it also had to be effective and competitive before the shipper was deemed **not** to be a shipper within the meaning of the Section. Furthermore, those representing other than railway interests, argued that since this was one of the few sections remaining in the Railway Act to protect the shipper, it should be interpreted in a way which would permit a shipper to have the probable range of rates determined with relative ease.

On the question of whether the section included Agreed Charge rates, the Atlantic Provinces Transportation Commission and the other bodies, except the railways, argued that the Section did include Agreed Charges. The railways took the opposite position.

At year end no decision has yet been given by the Canadian Transport Commission on the application of Domtar.

COASTAL SHIPPING REPORT

At the time of writing the Annual Report for 1970-71, the recommendations and findings of the Special Consultant in the Canadian Transport Commission's Inquiry on the Coasting Trade of Canada and Related Marine Activity, Mr. Howard Darling, had not been released to the public. The report, dated October 1970, was released by the Canadian Transport Commission during May 1971.

During a meeting of the Directors of this Commission in October 1971, the findings and recommendations of the so-called Darling Report were considered. As a result of this consideration, the staff

were directed to contact those organizations and industries in the Atlantic region who had prepared briefs for the coasting trade inquiry or were involved in or interested in water transport from, to or between Atlantic Provinces ports, seeking additional information they might wish included in a presentation by this Commission to the Minister of Transport. The Directors also sent a telegram to the Minister of Transport registering the Commission's opposition to any restriction of the use of ships under the British flag in the Eastern Canadian coasting trade.

This Commission's opposition is based upon that portion of the Report on the Inquiry on the Coasting Trade of Canada and Related Matters which recommends that:

"The Canadian coasting trade should be reserved to Canadian flag vessels only which would require Canada to withdraw from the British Commonwealth Shipping Agreement."

It is believed that, should this recommendation be accepted and become part of the Canada Shipping Act, then:

1. Cargo moving from, to or within the Atlantic area would become captive to vessels of Canadian registry and freight costs would increase;
2. A competitive factor in the making of water freight rates, as well as other modes, would be lost and freight rates published to meet the competition of water carriers would rise;
3. There would be a shortage of suitable vessels of Canadian registry to meet the needs of Atlantic industry; and
4. The most efficient use of the vessels would be prevented.

The National Transportation Act sets out the objective of National Transportation policy to be, among other things, the achievement of "... an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost ..." and it places great emphasis upon competition within the transport industry to achieve this efficiency and the "lowest total cost". In this Commission's view, to implement the Darling Report recommendations to restrict the use of British Commonwealth ships is in direct conflict with this basic national transportation policy statement.

INTERNATIONAL RAIL RATE ADJUSTMENT

Last years report advised of the pending adjustment in rail rates between Eastern Canada and the Eastern United States. At that time this Commission had not been provided with sufficient information to assess the implications of the revisions upon the commerce of the Atlantic Provinces.

As background information it should be noted that the railways' action stems from an order of the Interstate Commerce Commission requiring the railways to up-date their tariffs to incorporate various general rate increases as a step toward simplification of the freight rate structure.

Class Rates

The present international class rates have been in effect since 1938 and reflect a different scale than that currently in effect within

the United States, plus the fact they are governed by the Official Classification which has otherwise largely been replaced by the Uniform Freight Classification. The railways therefore decided that it would be an opportune time to completely revise the present class rates applicable between Eastern Canada and the Eastern United States.

During the past year the Atlantic Provinces Transportation Commission was actively involved in discussions with the Canadian National Railways and CP Rail concerning the implementation of the new rate structure and its possible effect upon the commerce of the Atlantic Provinces. Some rates under the new scale are higher, while others are lower. The railways advise that every effort has been made to have the new class rate scale approximate as closely as possible the present rates. Because of changes in mileages both in Canada and the United States due to method of computation as well as line and station abandonments, some degree of disparity could not be avoided.

Class rates move only a minor portion of the total freight traffic but are important because they form the basis of many commodity and class exception rates and also because they represent a basic rate structure applying between all points.

Class Exception Rates

Commodity rates will not be directly affected by this adjustment but class exception rates, which are generally based on a percentage of class rates, are directly dependent on the continued existence of the class rate structure. Because of this, and in keeping with the aim of updating tariffs in compliance with the Interstate Commerce Commission directive, the carriers propose to cancel the present class exception tariffs applying between Eastern Canada and the Eastern United States. The carriers have stated that they do not intend to deprive shippers of rates which may be currently in use and they propose to publish the approximate equivalent in the form of commodity rates where shippers demonstrate a need for such action.

As a means of safeguarding the interests of Atlantic Provinces shippers and receivers this Commission issued a circular letter calling upon such companies to supply data of their international rail shipments which in turn were analyzed to determine whether and to what extent the publication of commodity rates would be required to offset the cancellation of the class exception rates. This was followed by representations by this Commission to the railways on behalf of interested regional companies for appropriate rate action.

At year end there were no further developments except that it is understood that the railways are progressing the matter with the aim of implementing the new rate structure by the deadline of June 5, 1972 set by the Interstate Commerce Commission.

EXPORT - IMPORT RAIL RATE ADJUSTMENT

It was recorded in last years report that the United States railroads cancelled tariffs of import and export class rates between U. S. North Atlantic Ports and points in Central and Western United States and replaced such tariffs with an entirely new rate structure. This became effective on February 15, 1971.

It was further reported that following representations by this Commission the Canadian railways sought the establishment of the same rate structure between Eastern Canadian ports, including Halifax and Saint John, and points in the Central and Western U. S. to reinstate rate parity between these ports and U. S. North Atlantic ports on import and export class rated traffic. The Canadian railways also proposed the establishment of a new class rate structure, which would be related to the new rates within the United States, to apply on import and export traffic moving between Central Canada and Canadian Atlantic and U. S. North Atlantic ports.

Developments during the past year included the extension of the new U. S. class rate structure to cover the movement of import and export traffic between points in the Central and Western United States and Canadian ports. This became effective on June 10, 1971. The effect of this was the restoration of identical export and import class rates between interior points in Central and Western United States and numerous United States and Canadian ports, including the ports of:

<u>Canada</u>	<u>United States</u>
Halifax	Portland
Saint John	Boston
Montreal	New York
Quebec	Philadelphia
Sorel	Baltimore
Trois Rivières	(Plus Others)

The second part of the proposal, namely the establishment of a similar rate structure to cover Canadian export and import traffic via the same ports to replace the present class rates, was well advanced at year end. In fact, this Commission was advised by the railways at the conclusion of the year that the new tariff, namely Canadian Freight Association Tariff 625, is in the final stages of preparation and is tentatively expected to become effective on June 1, 1972.

During the past year the Atlantic Provinces Transportation Commission was actively involved in discussions with Canadian National Railways and CP Rail concerning the implementation of the new rate structure. Among the representations made by this Commission was a request that import and export class rates between the ports of Halifax and Saint John and points in the Maritimes be retained in a

modified form. Unfortunately this request was declined by the railways on the grounds that: (1) their records dating back over forty years failed to reveal the basis used in the original construction of these rates; and (2) that the present rates are not being used to a significant extent. Also to be cancelled are the class exception rates under Canadian Freight Association Tariff 15-L which apply in conjunction with the present import-export class rate structure. This cancellation corresponds to the situation between U. S. ports and Central and Western United States and the rates are therefore no longer required to maintain parity between U. S. and Canadian ports.

The railways have advised of their willingness to negotiate commodity rates with their customers to rectify any inconvenience caused by these cancellations.

DIGBY — SAINT JOHN FERRY SERVICE AND FARES

Very shortly after writing of the 1970-71 Annual Report, Canadian Pacific Railway announced the fare structure and sailings that would be in effect on its Bay of Fundy Service with the commencement of operations of the new *Princess of Acadia* on June 1st, 1971.

The actual fare structure and sailings instituted and the proposals of this Commission as contained in its brief to Canadian Pacific Railway, November 1970, are outlined below:

Passengers:	A.P.T.C. Proposal	Actually Instituted
Adult, one way	\$2.50	\$3.00
Adult, return	No proposal	5.25
Child (5 to 12 yrs.)	half fare	half fare
Automobiles and Camper Trailers:		
Automobile, one way	\$8.00	\$10.00
Camper Trailer /	charge per foot of length,	\$0.70/foot
Mobile Home }	minimum charge equal to	(\$10.00 minimum)
	charge for automobile	
Commercial Vehicles:		
Trucks	\$0.60/foot*	0.70/foot*
Tractor trailers	0.60/foot*	0.70/foot
Tractorless trailers	0.60/foot#	0.70/foot##

* — Driver carried free.

— Need for unloading charge recognized, none proposed.

— \$1.00 loading and unloading charge.

In addition to specific fare proposals the Commission's brief also suggested that:

- the ferry make two round trips per day;
- fares and charges for commercial vehicles should be the same for loaded as for empty vehicles;
- charges for handling tractorless trailers should not exceed the cost of carriage of a tractor and driver;

- discounts be provided to commercial vehicle operators making a given number of trips in a given period;
- commuter type discounts and tickets be available to passengers and automobiles.

Of the above proposals only the last was not instituted by Canadian Pacific.

During Saint John Port Day in February 1972, Mr. G. E. Benoit, Vice President of Canadian Pacific for the Atlantic Region, announced a third crossing of the Bay of Fundy by the *Princess of Acadia* during weekdays June 19th to September 8th, 1972. As the third daily crossing is scheduled between 0030 and 0730, quite possibly the motive has been to separate heavy commercial vehicles and automobiles as much as possible during the peak travel period of the year.

In December 1971, Canadian Pacific reported that 170,000 passengers and 40,000 automobiles had been carried by the new vessel, almost double the utilization of the Bay of Fundy ferry over the past several years; a testament to the potential and popularity of the new service. It is interesting to compare the passenger and automobile traffic flowing into and out of Nova Scotia in the years 1968 and 1971 and then to consider that this increase represents new traffic.

	1968		1971		
	Passengers	Automobiles	Passengers	Automobiles	
M.V. Bluenose	98,521	28,563	88,849	24,269	
Princess of Acadia	94,581	19,076	170,000	40,000	
Prince of Fundy	not operating		94,708	20,613	
					Increase
<u>Totals:</u> Passengers	193,102		353,557		160,455
Automobiles		47,639		84,882	37,243

CUSTOMS TREATMENT OF RAILWAY ROLLING STOCK IN INTERNATIONAL SERVICE

Under existing customs regulations, the movement of all railway rolling stock which is in International Service is permitted between United States and Canada without being subject to duty or taxes. This exception from duty and taxes is also extended to cases where foreign owned or controlled cars in international service are used by shippers between two points in Canada which lie along the normal homeward routing. Where international service cars are diverted into domestic service, the cars become subject to nominal rates of duty but not excise tax.

Another regulation pertaining to the movement and use of international service rolling stock reflects the fact that, at any time there

is generally a greater number of Canadian cars of a given type on United States lines than there are of United States cars on Canadian lines. Because of these circumstances Canadian rail companies are permitted to lease American rolling stock for periods up to 12 months at nominal rates of duty and with no application of excise tax.

In the fall of 1971 the Department of National Revenue circulated a proposal to interested parties, which would envision some changes in the customs treatment of rail rolling stock in international service. These changes involved:

1. Cars in Temporary Diversion:

Where cars would be temporarily diverted from international to domestic service, ad valorem duty of 17½% would be charged on the rental charge provided that there were an excess of Canadian cars of a similar type on American lines;

2. Leased Cars (of American ownership):

If leased cars are to be permitted for use on Canadian lines at nominal rates of duty, there must be a demonstrated shortage of Canadian cars of the same type;

3. Other cars of foreign ownership in domestic service:

Freight cars, other than those described above, would be subject to duty and excise tax. A remission of tax and duty is proposed by order in council to handle special situations;

4. United States cars could only be loaded once in the home-ward bound direction of the car.

The effect of the proposals of the Department of Revenue on shippers of the Atlantic Region is not abundantly clear. This Commission received representations from the potato industry and from some other major users of railway equipment expressing concern that the Department's proposals would either increase the cost of transportation for carriers which must be passed on to users or increase the frequency or severity of equipment shortages, or both. The rail-ways position in the matter was understood to be similar.

This Commission expressed its opposition to the Department of National Revenue's proposal if it should result in either or both the

above situations. It also drew the attention of the Department of National Revenue to the fact that the proposals would appear to prevent the most efficient use of transportation services - an objective of Canada's National Transportation Policy. At year end, no further information is available on what disposition the Department has made of its proposals.

NEW CAR DEMURRAGE TARIFF

On December 1, 1971 the Canadian Car Demurrage Bureau issued a new demurrage tariff (to become effective January 5, 1972), on behalf of its member railways. While the new tariff did not increase daily demurrage charges, two rule changes did have the effect of increasing demurrage costs to shippers. The two rule changes were:

1. That all Saturdays, Sundays and legal holidays would be subject to demurrage following the expiration of free time. (The previous rule exempted Saturdays, Sundays and holidays from demurrage charges when the final 24 hours of free time allowance commenced the day before such days.)
2. That delays incurred by the actions of government or customs officials, formerly totally exempted from demurrage charges, would be subject to such charges after an allowance of 24 hours free time.

In view of the fact that a similar proposal by the American railroads had been disallowed by the Interstate Commerce Commission and having received representations from some Maritime industries opposing the new demurrage charges, this Commission, as well as other organizations, companies and individuals requested the Canadian Car Demurrage Bureau to delay the coming-into-effect of the new demurrage tariff so that discussions between it and interested parties might take place. It will be recalled that the proposed rule change was one which the Commission and other organizations had opposed previously when the matter of demurrage was under the jurisdiction of the Board of Transport Commissioners, the predecessors of the Canadian Transport Commissions.

With the former avenue of appeal in rate and assessorial charge matters available to shippers through the Canadian Transport Commission cut off as a result of the amendments to the Railway Act by the National Transportation Act, this Commission held the view that such discussion were especially desirable and important. All appeals to the Demurrage Bureau were, however, rejected with the comment that the new rules were not subject to negotiation.

NEWFOUNDLAND FERRY TOLLS

During the summer of 1971 a number of companies contacted this Commission concerning the Canadian National Railways' policy of assessing freight rate charges on off-highway vehicles rather than the lower tolls that apply on freight carrying vehicles. As a result of these complaints, this Commission joined others in urging Canadian National to adopt a policy of assessing non-freight carrying registered vehicles, such as mobile cranes, the same rates as freight carrying trucks provided they are capable of being handled in normal roll on/roll off service.

By early December 1971 Canadian National was able to report that the Ministry of Transport had approved the charging of all roll on/roll off traffic normal truck rates on the Nova Scotia - Newfoundland ferry service. The Ministry, however, excepted vehicles or vehicle loads which exceeded 102 inches in width. In these cases the width of the vehicle or its load would interfere with normal loading of the adjacent traffic lanes on the ferries. Consequently, such over-width vehicles would be assessed twice the regular truck rate.

CTC DECISION ON PASSENGER TRAINS

It will be recalled from the Commission's 1970-71 Annual Report that the two major Canadian railways had sought authority from the Canadian Transport Commission to discontinue their passenger train services East of Montreal since they were alleged to be unprofitable and it was only through an application to discontinue the services that the railways could be reimbursed under the subsidy provisions of Section 260 (formerly Section 314 I) of the Railway Act. At the beginning of the year covered by this report, the railways' applications had progressed to the point where the Canadian Transport Commission was determining whether there was in fact an actual loss on the services.

On February 4, 1972 the Canadian Transport Commission issued a Decision and Order requiring Canadian National Railways, CP Rail and The Dominion Atlantic Railway to continue their passenger train services between points Montreal and East thereof and finding that there was an "actual loss" of over \$14 million as compared to an alleged loss of over \$18 million.

In determining whether the passenger train service or services should be discontinued, Section 260 of the Railway Act requires the Canadian Transport Commission to take into consideration all matters that are relevant including:

- a) actual losses that are incurred
- b) alternative services
- c) effects on other passenger carriers
- d) the probable future passenger transportation needs of the area served by the service.

The Railway Transport Committee of the Canadian Transport Commission, in identifying a total actual loss in the Maritimes rail passenger services of \$14,834,298 during 1970, saw "... no evidence that, with current schedules, operating practices and equipment, there is any prospect of rendering these services profitable". It was however "of the opinion that it is possible through imaginative improvements to develop a Maritimes passenger-train system which will satisfy the needs of the travelling public and, at the same time, justify whatever

costs there may be to the federal treasury". These costs, as determined by the Canadian Transport Commission, at the 1970 level would approach \$12 million annually.

The Railway Transport Committee states that it is convinced that an improved plan of operations can reduce the heavy losses on passenger train services between Montreal and the Maritimes while maintaining a level of service that will meet the public need. In order to formulate such a plan, on February 25, 1972 the Committee invited the public to submit suggestions covering the following points:

1. Routing, including possible combinations of service on CNR and CPR lines;
2. Frequency of service on resulting route or routes with possible variations in summer and winter schedules;
3. Train departure - arrival times;
4. Connecting services by rail, road, air and water;
5. Methods and costs of providing meals;
6. Methods and costs of providing sleeping car services;
7. Fare levels for coach services;
8. Improved reservation procedures to reduce the "no show" problem.

The Committee has allowed until April 15th, 1972 for the receipt of submissions.

OTHER ACTIVITIES OF THE COMMISSION

Much of the Atlantic Provinces Transportation Commission's activities are in the nature of assisting business and industry as well as Government departments and agencies with transportation and distribution matters. These activities are not possible to report in detail to avoid revealing commercial information of the companies using the Commission's services.

Nevertheless, it is hoped that the following examples will illustrate some of the areas in which the Commission has been able in the period covered by this report to provide specific and tangible assistance to industry and commerce in the region.

Following long negotiations with the railways, reasonably satisfactory rail rates on canned food products from the Annapolis Valley of Nova Scotia were established to points in the United States thus enlarging the market area for these companies.

Shippers of whale oil and whale meat sought the assistance of the Commission and as a result considerable savings were secured for these companies.

A new manufacturer of cedar fencing in New Brunswick was assisted by the Commission in securing a more satisfactory level of rates on inbound shipments of New Brunswick cedar logs.

A Newfoundland company received assistance in securing rates on canned fish products to markets in British Columbia thus opening up markets for its products in that area.

Further assistance was given to a new resin manufacturing plant in New Brunswick to enable it to reach the Newfoundland market more competitively.

Assistance was provided to a Nova Scotia manufacturer of moulded pulp products in maintaining its markets outside the region.

Two Newfoundland companies benefitted by several thousands of dollars through consultation with the Commission on the correct charges on their shipments.

The New Brunswick charcoal plant continued to make extensive use of the Commission's services with resulting improvements in its transportation charges.

Again this year the Commission assisted a Nova Scotia plastic products company by securing rates by highway to destinations in the United States.

A Newfoundland fish meal company was assisted in securing rates on its products to points in Quebec.

Considerable assistance was rendered to the New Brunswick peat moss industry during the year enabling them to minimize their transportation costs.

The Nova Scotia battery company utilized the Commission's services to secure rates by road and rail to potential new markets.

The new particle board plant in New Brunswick sought and received considerable assistance from the Atlantic Provinces Transportation Commission in its negotiations with the railways to minimize the effect of increases in freight rates on inbound wood waste as a result of the lifting of the freight rate freeze in 1969.

Considerable time was given to assisting the New Brunswick glass manufacturer in analyzing its competitive position in existing and potential markets.

The new plastic products manufacturer in Springhill received assistance from the Commission on its transportation needs.

Lumber producers in the region sought through the Maritime Lumber Bureau the assistance of the Commission on several matters. As a result reductions in rates to Newfoundland were secured with substantial savings to the industry and some adjustment in the carload minimum weights for shipments in bulkhead flat cars was likewise secured.

Again this year the Commission assisted the Atlantic Division of the Canadian Feed Manufacturers' Association in negotiations with the railways on inbound feed grain rates, corn rates and soya bean meal rates. It has provided advice and assistance in assessing the development of competitive means for the movement of soyabean meal.

During the year the Commission assisted a growing number of Maritime companies in the use of containers for export and import shipments. As a result of this assistance and with the co-operation of the steamship lines, more than half a dozen companies were able to reduce their transportation costs or, in some cases, to secure new markets. A survey of existing and potential container users in Nova Scotia was carried out by the Nova Scotia Department of Development and the results were turned over to your Commission for follow-up. Staff shortages and time has not permitted that follow-up at year end.

Major New Brunswick pulp companies have made extensive use of the Commission's services in negotiating rates by rail and truck to various locations throughout Canada and the United States. One particular negotiation involved rates for two companies. On successfully concluding this matter one of the companies advised that not only did the Commission's work save the company several thousands of dollars but, more importantly, it permitted the company to secure additional sales valued at almost half a million dollars.

The Commission assisted a Nova Scotia plaster company in an effort to prevent its competitive position in a major market from deteriorating. Some relief was secured although it is not possible to determine the extent to which the Commission's assistance was responsible for the rate adjustments made.

A Nova Scotia furniture manufacturer faced problems in marketing his products in Newfoundland as a result of what appeared to be either burdensome packaging requirements or heavy incidence of damage. The Commission played a role in bringing the manufacturer and the carriers together to work out a procedure acceptable to both parties.

The New Brunswick Forest Resources Study has used the Commission's services to secure transportation rate information on numerous forest products movements.

Near the close of the year covered by this review, the Commission supported representations by the two Maritime cotton mills through the Canadian Textile Institute to the United States railroads for reductions on rates on Cotton from points in the United States.

During the year covered by this report, the Commission's Transportation and Distribution Officer visited most manufacturing and processing firms in Prince Edward Island. As a result of this effort, the Commission was able to assist more than a dozen additional companies with transportation and distribution matters. In several cases savings in transport costs or opportunities to reach new markets were created

Based on work done by the Commission in 1970, several thousands of tons of steel were moved to the Maritimes by water in 1971. While this movement did not result in lower rail rates being published it did stabilize to some extent the existing rail rates.

As has been the case in past years the Commission has been called upon by Provincial Government departments, their industrial development agencies, municipal groups and joint federal-provincial sponsored agencies for assistance in their industrial development activities. More than 75 specific requests were received covering a wide range of products. In addition, a considerable volume of work was done for three consulting firms retained by the Provincial Governments in Nova Scotia and New Brunswick on industrial development or port development. In one case the consulting firm wrote:

"The transportation data you so kindly provided . . . has proved to be most valuable in our study. Your analyses of the complex possibilities which we presented to you were most comprehensive and complete in all respects".

In late May of 1971, Canadian National Railways applied to the Newfoundland and Labrador Board of Commissioners of Public Utilities Motor Carrier Division for permission to increase fares on its bus service operating in that Province. Subsequently the railway submitted on two separate occasions revisions in its proposed rate scales which, if approved, would increase rates from 20 to 40% with the average increase being approximately 30%. The Government of

Newfoundland and Labrador filed opposition against the fare increase with the Motor Carrier Board and shortly thereafter requested the technical assistance of this Commission in presenting its case at the hearing before the Board. The application was set down for hearing early in April 1972. This Commission's Executive Manager and the Research Economist analyzed the railway data in some detail, secured additional information, and assisted the Government representative in preparing the Province's position in the case.

An indication of the changing transportation rate structure can be secured from the following tabulation of the number of rate advices disseminated by the Commission in the past few years:

<u>Year</u>	<u>No. of Rate Advices</u>
1971-72	1,904
1970-71	1,999
1969-70	1,624
1968-69	1,296

In addition, three circulars dealing with transportation developments of a more general nature were issued during the year under review. Pressure of other matters prevented the Commission from preparing "Tips and Topics" on a regular basis and only three issues were mailed during the year 1971-72.

The Commission has attempted to contact in writing, and often by personal follow-up, all companies establishing new manufacturing facilities in the region in the year covered by this report. Certain of these contacts brought requests for advice or assistance.

During the year the Commission attended the Annual Meetings of the Maritime Provinces Chamber of Commerce and the Canadian Chamber of Commerce, as well as the three meetings of the Directors of the Maritime Provinces Chamber of Commerce. It was also represented by its Chairman at both the Halifax and Saint John Port Days and by the Executive at the Annual Meeting of the Atlantic Provinces Economic Council.

The Executive Manager was called upon to speak to the Annual Meeting of the Nova Scotia Federation of Agriculture. He also spoke to three classes of Economic and Business Administration Students at the University of Prince Edward Island.

In November 1971 the New Brunswick Department of Economic Growth sponsored a week long seminar "Operation Export". The Atlantic Provinces Transportation Commission prepared a large volume of background data for the seminar participants on shipping services, rates and charges. In addition it participated in one of the lectures and carried out an extensive interview program with exporters attending the seminar as well as the necessary follow up work with the participants.

The Greater Moncton Chamber of Commerce as well as one of the Provincial Governments sought advice from the Atlantic Provinces Transportation Commission on ways and means of pooling or co-operatively consolidating inbound shipments to avoid minimum charges

and secure the benefits of lower rates associated with larger shipments.

The foregoing is not intended to be a complete catalogue of the Commission's activities but is merely an attempt to indicate the extensive nature of the work done by the Commission in the year past.

COMMISSION MEMBERSHIP

During the year the Commission welcomed the addition of Mr. W. L. Single, Deputy Minister of Development for the Province of Nova Scotia and Mr. H. A. Nason, Deputy Minister of Economic Growth for the Province of New Brunswick as additional Government appointed Directors from these Provinces. Mr. Alexander J. Roche, Acting Director of Transportation and Communications for the Province of Newfoundland and Labrador was appointed a Director of the Commission early in 1972 as that Province's representative on the Commission's Board of Directors. In addition, the Newfoundland & Labrador Chamber of Commerce confirmed the appointment of Mr. N. H. Smith of St. John's and Mr. Allan Noseworthy of Corner Brook as its representatives on the Atlantic Provinces Transportation Commission Board of Directors.

Mr. L. J. Hayes of Halifax, N. S. was appointed by the Government of the Province of Nova Scotia on January 5, 1972 replacing Mr. A. W. Cox, Q.C. To Mr. Cox, the Commission wishes to express its appreciation and thanks for his services as a Director.

ACKNOWLEDGEMENTS

Before concluding this Annual Report, the Chairman and Executive Manager wish to express the Commission's thanks and appreciation to the carriers for their co-operation and assistance during the past year. Their co-operation is greatly appreciated and it is the Commission's sincere hope that through its work new traffic has developed for them or existing traffic has been retained.

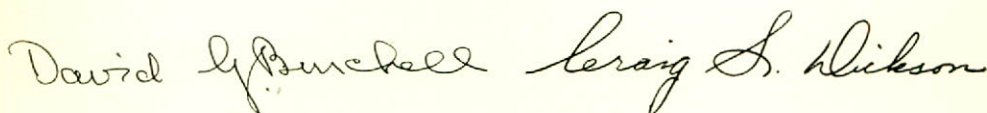
On behalf of the Commission Directors, thanks and appreciation is extended to the many regional organizations with which the Commission has had close co-operation during the year, namely, the Maritime Provinces and the Newfoundland & Labrador Chambers of Commerce, the Atlantic Provinces Economic Council, the Atlantic Division of the Canadian Manufacturers' Association, the Atlantic Division of the Canadian Industrial Traffic League, the Atlantic Division of the Canadian Feed Manufacturers' Association, the Maritime Lumber Bureau, the Fish Associations of the four Provinces, the Saint John and Halifax Port Commissions, the Maritime Farmers Council and the Nova Scotia Forest Products Association, as well as numerous individual Boards of Trade and Chambers of Commerce.

The Commission maintained its membership in such national and international groups as the Canadian Transportation Research Forum, the Transportation Association of America and the Canadian Association of Physical Distribution Management. The Executive Manager accepted an invitation to serve as Atlantic region representative on the 1972 National Transportation Week Committee. The Executive Manager of the Commission continues to serve on the Transportation and Communications Sector of the Nova Scotia Voluntary Planning Group and on the Transportation and Communications Committee of the Canadian Chamber of Commerce. The Commission's Research Economist is a member of the Transportation Committee of the Nova Scotia Forest Products Association.

The Chairman and Executive Manager wish to thank the Commission directors for their advice and guidance during the past year and their faithful attendance at and participation in Commission meetings. When it is realized that no remuneration whatsoever is received by the Commission directors for their services, the directors are indeed, deserving of the highest commendation for their voluntary contribution to the betterment of the region through the activities of the Commission.

The success of the Commission's work in any given year is achieved not by the Chairman and Executive Manager but rather by the dedication, loyalty and hard work of the staff they lead. On behalf of the Directors, the Chairman and Executive Manager express sincere thanks and appreciation to the staff for their services during the past year.

Respectfully submitted,

The block contains two handwritten signatures in cursive. The signature on the left is 'David G. Burchell' and the signature on the right is 'Craig S. Dickson'.

D. G. Burchell
Chairman

Craig S. Dickson
Executive Manager

