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**Transport Policy Reform and Rural  
Communities: a Case Study of Gaspé**

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**A Thesis  
in  
The Department  
of  
Geography**

**Presented in Partial Fulfilment of the Requirements for the Master of Arts in  
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## **ABSTRACT**

### **Transport Policy Reform and Rural Communities: A Case Study of Gaspé, Québec**

**Kevin Fahy**

In Canada, transport policy reform has given rise to social and economic problems for regions located in the periphery. Rural communities are particularly dependent upon transport links. The town of Gaspé was chosen as a case study because it shares characteristics that are common with rural communities: the out-migration of youth, seasonal work, high-unemployment rates, and problems attracting and retaining business and industry. Furthermore, it has three modes of transport: air, rail and maritime, making Gaspé a unique case study in Canada. This study examines community attitudes to the recent policy changes, explaining how the three modes are viewed in terms of their social and economic contributions.

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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Preface**

The town of Gaspé, Québec is located at the tip of the Gaspé Peninsula in the eastern part of the province of Québec. It sits at the confluence of two rivers the York and the Dartmouth, where they join in the Gulf of St. Lawrence. The Gaspé region shares a common maritime heritage with the provinces of New Brunswick, Newfoundland and Nova Scotia. The town has a population of 16, 517 spread out over 1,105.11 square kilometres.<sup>1</sup> It is a large geographical space located on the periphery of Canada. The nearest large urban centre, Rimouski, is 382 kilometres away. The municipality of Gaspé serves as the region's transportation centre. Located in Gaspé are a bus depot, a train station, a regional airport and a port. As well, the Gaspé region is served by one major highway (rte. 132) that follows the Gaspé peninsula coastline.

The town and region's economy is shaped by a few key industries. The town of Gaspé serves as the administrative center for the Gaspé region. Within the town of Gaspé are federal and provincial government offices. As well, it houses the region's CEGEP and hospital. The regional economy also benefits from the Noranda copper mine located at Murdochville because of the business it generates for the port of Gaspé. Local agriculture, forestry and fishing are traditional industries, but in decline. During the summer months the

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<sup>1</sup> Census of Canada, 1996.

region becomes a haven for tourists who come for the scenic beauty and tranquility.

### **1.1.1 Purposes and Organization of the Thesis**

The primary objective of this thesis is to understand the social and economic costs incurred by small communities located in the periphery resulting from recent transport policy reform in Canada. Specifically, it focuses on the town of Gaspé, Québec. Its citizens already suffer from a transportation disadvantage, and the shift from state support of transport services to liberalization further accentuates their isolation.

The research question is framed by the concept of transportation disadvantage, a notion referred to extensively in the literature. By definition peripheral communities are isolated, and any reduction in transport services is likely to be differentially severe. In the case of Gaspé three of its existing modal terminals are threatened by regulatory reform in Canada, and thus it is a very useful case study to how a national policy directive can impact on a locality.

Chapter Two of the thesis provides a literature review of the transportation issues that small rural communities experience. I define the concepts of community and the heartland-hinterland process, as well as its influence on the settlement pattern and transportation development of Canada. The literature reveals that residents of small rural communities are affected by many problems related to isolation including: access to

specialized healthcare, problems of the transportation disadvantage, youth out-migration, as well as attracting and retaining business and industry.

In Chapter Three I outline the transport policies of the federal government. These include the National Marine Policy and Canada Marine Act, the National Airports Policy and the Canada Transportation Act. The policies redefine the government's role in the operations and administration of air, rail and maritime transport services in Canada. Through these initiatives, the federal government has adopted a policy of deregulation and liberalization in the operation and administration of the national transportation system and services. I conclude by describing Gaspé's transport infrastructure, which includes the train terminal, regional airport and port.

Chapter Four presents a community profile of the town of Gaspé and the socio-economic issues that arise from transport policy reform. I present a description of the physical setting of the town and region, followed by a socio-economic profile including population and demographic characteristics and a review of the economic structure of the town.

Chapter Five focuses on the survey undertaken to explore the differing attitudes and opinions concerning the social and economic impacts of deregulation in Gaspé. First I present a ranking of each mode in terms of importance to the community. This is followed by a summary of the survey results with community members and public officials.

Chapter Six presents an interpretation of the survey results. It examines the different perceptions of issues that arise for small communities as a result of transport policy reform. It confirms many of the findings of the broader literature that access to specialized healthcare of an aging

population, attracting and retaining business, further community isolation and the out-migration of youth are important consequences. Finally, areas for further research are presented.

## **1.2 METHODOLOGY**

The research begins with a review of the literature on the issue of transport and remote, rural regions. The goal is to identify the main issues that confront communities similar to Gaspé, and to see how these are mediated. Case studies of communities facing similar problems are reviewed. Since the specific research question of the thesis deals with regulatory reform, a further examination of the literature was undertaken to explore some of the theoretical and practical implications of deregulation and privatization.

A community and transport profile of Gaspé was undertaken, drawn largely from government sources, including Statistics Canada and the Schéma d'aménagement of the local MRC. From this documentation the demographic, social, economic and transport attributes of the locality were derived in order to obtain a firm picture of the town as it faces threats to its transport infrastructure and relationships.

The primary data source consists of a survey of attitudes and opinions concerning transport policy reform and the socio-economic costs incurred to the community. The interviews were conducted between 7 and 17 June 1999 in Gaspé. The sample consisted of community members active in the promotion of the community's needs, through its various community

organizations and advocacy groups.<sup>2</sup> As well, public officials professionally employed within the community were interviewed. These included; the Mayor of Gaspé, officials from the Economic Development Corporation, Chamber of Commerce, terminal directors and leaders from the business community.

The respondents answered a series of open-ended questions <sup>3</sup> concerning the three modes of transport and the changing federal involvement in the air, rail and maritime modes. These modes all have terminals in Gaspé. The purpose of the questions was to understand how an isolated community reacts to new policies of privatization and divestiture imposed by the central government.

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<sup>2</sup> For a complete listing of the community organizations and advocacy groups consulted see Appendix A, Community Organizations and Advocacy Groups.

<sup>3</sup> For a complete list of the questions please see Appendix B (Community Organizations and Advocacy Groups) and Appendix C (Public Officials) questionnaires.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews the literature on transportation policy reform and the small communities that have been affected. First, I begin by examining the literature on communities, in which the concept of community is defined. I describe, interpret and assess the nature of small communities, paying particular attention to the aspects of transport and settlement in remote areas, linking this to the heartland-hinterland process. This is followed by a review of the transportation problems associated with remote communities and their surrounding regions, focusing in particular on the concepts of transportation disadvantage, accessibility and mobility. Next, I review the literature on the social groups who are most affected by transport policy changes in remote communities. Finally, I examine the broader literature on three modes of transport that are particularly affected by transport policy reform in the Gaspé: maritime, rail and air transport. They are discussed from an historical as well as contemporary perspective in the attempt to explain their significance on the former settlement process along with the contemporary effects that deregulation is giving rise to.

### **2.1.1 Definitions of Community**

*“A city is a large community whose people are lonesome together” P.J. O’Rourke.*

The Canadian Oxford Dictionary (1998) defines community as *“all the people living in a specific locality.”* The 1996 Canadian Census defines it as *“a continuously built up area with a population of 1000 people or more which has a density of at least 400 persons per square kilometer is classified as urban.”* Both these definitions of community are narrow and limited in their scope. Sociologists, however, define community in more interpretive terms. Reiss (1955) suggests,

*“A community arises through sharing a limited territorial space for residence and sustenance, and functions to meet common needs generated in sharing this space by establishing characteristic forms of social action.”* (Reiss 1955)

Others such as Bowles (1982:1) observe that the term community is better referred to as settlements in which (1) individuals can meet all their daily needs thought to be important in society; (2) include members of both genders and all ages, and; (3) have enough permanence that an individual can live his complete life there. Bell and Newby (1971:55) believe, *“communities can be understood as on-going systems of interaction, usually within a locality, that have some degree of permanence.”* (Bell and Newby 1971:55) Warren (1963) views community as a *“combination of social units and systems, which performs major social functions having locality relevance.”* (Warren 1963) On the other hand Lewis (1979:149) suggests, *“a community may involve a village, a hamlet, or*

*even dispersed habitations; in other situations it can involve several settlements, and within some villages there may be more than one community.”* (Lewis 1979:149) Clearly, it seems that these definitions of community include one of locality and permanence.

An important distinction is made between rural and urban communities. Bowles (1982) suggests the residents of remote, rural communities are recipients of a small range of formal services and a narrower range (or different set) of opportunities, than urban dwellers. In short, the transportation system gives rural residents access to a smaller number of other places and imposes greater difficulty in travel. Redfield (1941) views the rural-urban dichotomy as a constructed typology of community. In this continuum, rural and urban communities are seen as a folk-urban continuum<sup>1</sup> of opposing behaviors and values. He regards a folk community as characterized by a highly homogenous population that is remote and socially isolated. As a consequence, its culture displays a considerable amount of organization, emphasis is placed upon the sacred nature of things and activities, and members of the community are collectivistic in orientation. On the other hand, the urban community is characterized by cultural disorganization, secularity, and individualism. Traditionally, social change within the countryside has been associated with a rural-urban dichotomy or continuum, which emphasizes changes in urban and

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<sup>1</sup> For more on Redfield's description of the folk-urban continuum see *The Folk Culture of Yucatan* (Chicago: University of Chicago Press, 1941), pp. 1-18 and his article "The Folk Society," *The American Journal of Sociology*, 52 (January, 1947), pp. 293-308.

rural values and behavior (Frankenberg 1966; Jones 1973). However, such a framework for understanding contemporary rural change is of limited use today.

### **2.1.2 The Heartland-Hinterland Concept**

*"If some countries have too much history, we have too much geography"*  
Mackenzie King 1936.

Often ignored, yet crucial to the historical and contemporary development of the nation are the small, isolated communities that form rural Canada. These communities are built around resource-based industries and major transportation routes. Many owe their existence to a branch <sup>2</sup> rail line. Bowles (1982) suggests they have played a vital role in the heartland-hinterland process of resource extraction, in which rural regions and their small towns provide many of the raw materials, natural resources, recreational space and agricultural produce that are closely linked to urban heartlands. Hinterlands are thus indispensable components of urban regions. Examples of hinterland towns include: Grand Falls, Newfoundland; Glace Bay, Nova Scotia; Kitimat, British Columbia and Murdochville, Québec.

The Canadian Oxford Dictionary (1998) defines the term heartland as "*the central or most important part of an area.*" The narrow meaning of this

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<sup>2</sup> In Canada branch rail lines serve as feeder lines on major rail lines, connecting outlying centers to a main line. Often they are the sole reason for communities that are located in remote regions of Canada.

definition can be expanded upon. For example, McCann (1982) defines the heartland as comprising a number of unique qualities, consisting of favorable physical locations that include good access to markets and a diversification of secondary, tertiary and quaternary industries. Therefore a highly urbanized and concentrated population participating in a well-integrated urban system, possessing the potential and capacity for innovation, characterizes the heartland. In addition, the heartland exerts influence and control over the social, economic and political agenda of the day, including decision-making of national importance.

On the other hand, the Canadian Oxford Dictionary (1998) defines the term hinterland as; “1 a remote or fringe area; back-country. 2 the often deserted or unchartered areas beyond a coastal district or a river’s banks. 3 an area served by a port or other center”. Indeed, McCann (1982) views hinterlands as being characterized by a dependence on primary resource production; a scattered and weakly integrated urban system; and a limited innovative capacity. As well, hinterlands suffer from limited political power. It should be noted that the heartland-hinterland concept is often referred to as the metropolis-hinterland, core-periphery, center-periphery, or center-margin model.<sup>3</sup> The well known text on the geography of Canada McCann (1982) divides the country into three major

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<sup>3</sup> The core-periphery model is well documented in the literature. It has been used often in many disciplines; however, geographers use it as a way to understand spatial variations in levels of development over regions at intra-national and international scales.

regions, based on the heartland-hinterland <sup>4</sup> model: (1) the national core or industrial heartland, centered in southern Ontario and southern Québec; or the Québec-Windsor corridor; (2) the provincial hinterland regions – Newfoundland, the Maritimes, the Western Interior, Alberta and British Columbia – each with its own core-periphery system, and; (3) the resource and political hinterlands – the Canadian Shield and the territorial North, that stand alone as distinctive regions.

### **2.1.3 The Evolution of Transport and the Heartland-Hinterland**

*“A mari usque ad mare - from sea to sea” Canada’s official national motto.*

In Canada innovations in transportation shaped the heartland-hinterland concept. In the first half of the nineteenth century Canada served as a staple hinterland for European interests, particularly those of Great Britain. This was facilitated by maritime transport. Water played an important role in the early history of Canada. Inland travel was dependent on the numerous waterways (Glazebrook 1938). McCalla (1994:58) suggests the waterways of Canada served as highways of exploration and commerce during the early days of the fur trade and European exploration. The explorers arrived by sea and entered the continent by way of two passages leading to the interior: the St. Lawrence River and its tributaries including the Great Lakes; and Hudson Strait and Hudson Bay.

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<sup>4</sup> For more on the heartland-hinterland model and Canadian resource towns see L.D. McCann's *“The Changing Internal Structure of Canadian Resource Towns,”* in Roy T. Bowles (ed), Little Communities & Big Industries, (Toronto: Buttersworth, 1982).

The settlement pattern consisted of communities strung out along the coastal and river valley regions. Communities were closely linked to major ports such as Halifax, Québec City, St. John and Montréal. Thus, communities were fragmented and isolated spatially with settlements connected by maritime links to the foreland, Europe. Indeed the waterways played an important role in the early settlement pattern of the nation.

Immediately following Confederation the binding force of steam and rail played a major factor in the era of the "*Great Transformation*" from the 1880s to the 1920s (Heron 1989; Kerr and Holdsworth 1990). This era is noted for advances and innovations made in transport and technology. In particular, it is regarded as the era of rail. The federal government played a major role in the development of the rail system in Canada. On 1 July 1889 the Canadian Pacific Railway (CPR) reached Vancouver. This moment marked the inauguration of a coast-to-coast link across Canada. It greatly changed the spatial economy of the heartland-hinterland relationship.

In Canada many small rural communities often developed in close proximity to areas located on branch lines of the major trunk lines. The majority of these communities were built in the latter half of the nineteenth century. They were constructed after the railway had become firmly established and had achieved a virtual monopoly of land transport. Their purpose was to feed traffic into the main line. In Canada hundreds of small agricultural communities were

created around rail lines on the Prairies, greatly expanding the size of the Canadian hinterland. Brierley and Todd (1990) observe,

*“Expansion of the rail network created new agricultural hinterlands with their attendant small towns and villages generally positioned at intervals of 14 kilometers along the track where grain elevators were located.”* (Brierley and Todd 1990:3)

These new towns shared a dependence on a rail link and grain elevators for their existence. Bowles (1982) finds the residents of remote rural communities are dependent upon the railways for their livelihoods. However, as Nock (1957) suggests, many of these branch rail lines did not yield an economic return. In short, most were unprofitable. Mackintosh observes,

*“It is difficult to arrive at any conclusion as to the distance beyond which hauling of grain is unprofitable...however, areas lying more than 10 miles (16 kilometers) from the railway have low population density and are not characteristically grain shipping district”* (Mackintosh 1934).

Thus the railway played an important role in the settlement pattern of the Prairie Provinces by attracting settlers who located their small agricultural communities along rural branch rail lines. In addition to greatly expanding the size of the hinterland, the railway facilitated greater integration with the Canadian heartland. Brierly and Todd (1990) note, *“The railway served as an umbilical cord joining the Prairies with Canada’s Heartland in Southern Ontario”* (Brierley and Todd 1990: 3).

In Canada air transport was one of the last of the great transport modes to develop. The first powered flight in the British Empire took place at Bras d’Or,



Nova Scotia in 1909.<sup>5</sup> The provision of air service is important for northern resource and native communities located in the Canadian Shield, the Northlands and the Arctic. Indeed, many of the new Arctic settlements are maintained entirely by air. Glazebrook (1938) states, *“access to the far north became readily possible by air to a degree that could not be achieved by any other means”* (Glazebrook 1938: xi).

This is because the development of roads or rail service to isolated communities is considered too expensive, if not, impossible (Stevenson 1975). On the other hand, air service requires very little infrastructure requirements, other than landing fields. In 1919, Parliament recognized the role of non-military aviation by adopting the *Aeronautics Act*. Within a few short years, passenger and freight aviation transformed the economic and social life of the vast northern hinterlands (Ellis 1954).

In a modern context, air transportation is extremely important to a nation as large and dispersed as Canada. It has served to integrate the urban centers of the heartland, reducing travel time and physical barriers to hinterland regions. In so doing, it enables the future extraction of valuable mineral resources from Northern and Arctic hinterlands. Tolley and Turton note,

*“The twentieth century development of air transport has aided the growth of mining and industrial communities in Canada, where adverse climate and topography have severely inhibited land communications”* (Tolley and Turton 1995:3).

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<sup>5</sup> The Silver Dart was the first piloted flight in Canada. The flight occurred on the shores of the Bras d'Or Lake in Nova Scotia in 1909. In English, it is referred to as Braddock Lake.

The original land routes in Canada differed immensely in quality from the routes of the maritime transport system. The routes were nothing more than Indian trails used during times of war and for hunting purposes. However, Stevens (1973) notes with the colonization of New France, French Canadians settled a thin strip of land on either side of the St. Lawrence River, running approximately 300 miles (km) from Malbaie to Châteauguay. This land contained three types of roads. The first, dubbed the '*chemin royale*' was the main highway located along the waterfront. The second type of road '*chemins sorties et communications*', were the short lateral roads leading to the forest, or rear of settled zones. Finally, the third type of road, '*chemin de ceinture et de travois*', ran along the back of the settled area (Stevens 1973). These roads were common to the settlement pattern of New France during the seigneurial system of land tenure. Often they were used by habitants<sup>6</sup> to move timber to the river for export to the foreland after land was cleared for settlement.

More recently, the advent of road transport routes has greatly enhanced integration of the heartland with links to the hinterland. The development of a road network and highway system was impeded by the physical geography and climate of Canada. The numerous lakes and rivers created a challenge for highway builders, just as they had done in the past for the railway builders.

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<sup>6</sup> This term is used to denote the French settler of rural Québec in New France under the seigneurial system of land tenure. It was in use until the early twentieth century, however, the beginning of the rural to urban migration trend had a tremendous effect on the life of the habitant.

Additionally, control over transport is under provincial jurisdiction, limiting a national network. American highways were built sooner, and to higher standards than their Canadian counterparts (Stevenson 1975). Since the majority of Canadians live in close proximity to the American border, north-south links to the United States increased to the detriment of east-west links to other Canadian provinces. This greatly enhanced the flow of goods and people in a north-south pattern and the number of highway border crossings multiplied. For Canadians driving across Canada was very difficult until 1962.<sup>7</sup> Road and highway construction opened up the Canadian hinterland to investment in forest and mineral resources and the export of products to American markets. These routes have also accommodated the growing tourism and recreation industries associated with the private automobile.

Despite the varied history of each mode, the literature reveals that transport and settlement in Canada are inexorably linked. Emerging from the heartland-hinterland process are hundreds of small communities located in the periphery. They are a prominent feature of the landscape in resource dependent countries and are particularly evident in Canada. They share an economic dependence upon a major industry and a transportation link for their economic well-being and survival. The narrow economic base and isolation are mutually related. Because resource communities are often located in isolated regions,

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<sup>7</sup> The Trans-Canada Highway was officially opened in 1962. This massive undertaking began in 1950 and was eventually completed at a cost of \$1.4 billion with the federal government contributing \$900 million.

this lends itself to greater economic dependency on fewer firms, or sectors (Randall and Ironside 1996).

The Gaspé region exhibits these characteristics extremely well. Based on a narrow-range of resource industries, such as mining and agriculture, it is dependent on external markets. However, it is much more fortunate than other hinterland regions of Canada in that all four major modes; water, air, rail and road are present. Unfortunately, the future of three of these modes is threatened. This is crucial to the community in Gaspé as many residents are dependent on transportation. Thus the mobility of many residents is greatly affected by transport policy reform. The following section will focus on the literature explaining the transport problems and issues that affect residents of remote, rural communities.

#### **2.1.4 Issues of the Transportation Disadvantaged, Accessibility and Mobility**

*“There’s nothing like an airport for bringing you down to earth” Richard Gordon.*

Transport is not a service evenly available in society. This is defined in the literature as a transportation disadvantage. It occurs when an individual's mobility is impaired in one or more ways. Research undertaken by the U.S. government (National Research Council 1976) shows the transportation disadvantaged have many common problems including: (1) they have no car and their ability to drive is impeded by physical health or financial means; (2) they often live in rural areas

where there is limited or no public transit service; (3) the elderly and handicapped require personalized transportation services, often door-to-door or door-through-door services, and; (4) many transport services suffer from design features that create problems of orientation and maneuverability which often discourage their use. In rural areas the transport problem is not just one of accessibility, but includes securing access for a significant non-mobile population (Hamilton and Jenkins 1992: 61).

The concepts of accessibility and mobility play an important role in examining and measuring the problems of the transport disadvantaged in rural areas. Mobility is simply defined as *“the ability of an individual to move about”* Banister (1983:130). Personal mobility is defined as a function of two variables. The first is the demand in terms of actual movement. This includes the amount of travel that can be made, in terms of the number of trips, by all modes and for all purposes. The second is a personal categorization, which acts as a constraint on the first, and can be interpreted as the potential for movement. This includes personal characteristics such as age and gender, the availability of a car, the ability to drive a car, and the availability of public transit and other modes of transport (Banister 1983).

Increasingly the concept of accessibility has become a focus of attention for transport research in rural areas (Banister 1983; Moseley 1979). Distances that have to be traveled in rural areas have increased with the closure of local

facilities and the concentration of other services and facilities in larger urban centers. In a very basic definition, Jones (1981) states

*“Transport accessibility can be defined as the ability of people to get to or be reached by the opportunities which are perceived to be relevant to them.”* (Jones 1981)

Others view accessibility as comprising a number of factors. Moseley (1979:7) suggests the accessibility problem contains three components: the people or residents of rural areas; the activities or services they require and the transport or communications link between the two.

Problems of accessibility for rural residents are considered minor if the resident has access to transport at any given time. The only constraint is time. It is, however, those individuals who do not have access to transport who suffer accessibility problems. Inevitably, rural areas are dependent on transportation. This is due to the long distances that separate people in such low-population density regions. The accessibility and mobility issues are compounded by a number of other social problems including: employment opportunities, out-migration, isolation of social groups; and the high costs of providing services (Hopkins et al., 1978). Thus, social problems that are closely linked with the issues of accessibility and mobility are responsible for the transportation disadvantage that afflicts rural communities.

### **2.1.5 Social Groups and Problems**

Who are the social groups most affected by mobility and accessibility? Social groups most affected in remote communities identified in the literature include: the elderly (Hopkins *et al.*, 1978), housewives (Pickup 1981), non-car owning households (Koutsopoulos and Schmidt 1976) and low-income groups (Davis and Albaum 1972). Robins (1983) characterizes these communities as areas of declining population with low employment opportunity and low incomes. They are, however, important as areas for recreation, on a regional, or even national scale. They provide many of the amenities that city dwellers take for granted including; water supplies, recreation and leisure activities and wilderness.

A major problem in remote communities is out-migration by the working age cohort in search of suitable employment opportunities elsewhere (Whitby et al 1974: 177). Out-migration is part of the rural to urban migration trend that had been prominent throughout the twentieth century. During the 1970s, some rural regions experienced a population turnaround.<sup>8</sup> This occurred initially in the United States, followed a short time later by nations such as Canada and Australia. This process is made up of groups such as retired professionals seeking a rural lifestyle and leisure opportunities (Vining and Kontuly 1978; Bourne and Simmons 1979; Vining, Palone and Plane 1981; Champion 1981).

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<sup>8</sup> It should be noted the population turnaround occurred in regions adjacent to urban centers. Communities located in the remote hinterland regions were not greatly affected.

The literature suggests that there are two major transport problems for rural areas. First, population densities are generally too low to support effective public transport systems. Public transit in rural communities is viewed as a social function in that service should be provided to meet the needs of the community. The state of public transit in rural areas continues to decline with transport policy reform. The second issue involves the unbalanced age structure and the high level of elderly population. Bracey suggests, *“with pensioners perhaps 50 to 60 per cent are physically unfit to drive”* (Bracey 1970). Indeed, this would seem to be the case with many elders who suffer from a loss of vision and other ailments in their retirement years. This makes it virtually impossible to drive and, therefore, the elderly are at a transportation disadvantage. Moseley states,

*“The lack of a car and of a good bus service is often compounded by complementary deficiencies: there is in fact a high degree of multiple mobility deprivation amongst the rural elderly ”* (Moseley 1979: 47).

There are a number of issues associated with the accessibility problems of rural elders. Most important of these is access to healthcare. This at a time in the lifecycle of rural elders when it is most in demand. Studies undertaken by the University of Iowa have found that in rural Iowa there is a lack of primary care providers. In addition, the closure of rural hospitals and the distance traveled to receive healthcare are factors that can affect rural elders access to healthcare (Danaimo P.C. et al, 1995: 1).

Thus research has shown those who experience problems of accessibility include: individuals who are too old or too young to drive (the elderly and school



age children), the disabled (handicapped), low-income groups (poor), and increasingly one-car households in which the head of the household uses the car during the day, leaving the remaining members of the household without transportation. Among the most affected are the elderly. Moseley (1979) states,

*“All surveys of the mobility and accessibility problems of people living in rural areas point to the elderly being the single most disadvantaged group”* (Moseley 1979: 48).

## **2.2 GOVERNMENT REGULATION AND DEREGULATION**

*‘Terminals have always, and probably always will be the ‘bottlenecks’ of transportation, whether on ground, water, or air systems’ Harry H. Blee, U.S. Aeronautics Branch, 1932.*

The deregulation of transport services has become an increasingly evident aspect of public policy in many countries. The restructuring of transport services is leading to social and economic problems for remote, rural communities. Rural residents are particularly affected by service cuts, extending further their transportation disadvantage. In the following section the literature on the impacts of deregulation are examined in detail by focusing on three modes: air, rail and maritime, because they have been the targets of government cutbacks in Gaspé.

### **2.2.1 Rail Service**

One of the modes of transportation most affected by the recent regulatory reform of transport is the railway. Tolley and Turton (1994) suggest during the second half of the twentieth century the rail systems of most industrialized states have been modified to meet changes in demand. In fact, changes were necessary due to the increase in road freight and passenger traffic, a testament to the increasing popularity of the private automobile and road transport. Therefore, modifications to railways are necessary to remain viable, economically, as well as competitively. On the other hand Stevenson regards these changes as evolutionary within the transportation industry, he observes,

*“During the twentieth century motor vehicles and highways began to challenge the hegemony of railways, just as railways had once challenged the hegemony of inland water transport a century earlier” (Stevenson 1986: 5).<sup>9</sup>*

In the U.S., the passing of the Staggers Rail Act in 1980 by U.S. Congress ushered in an era of transport policy reform. In so doing, it liberated American railways from the heavily regulated environment they had endured for years (Grimm and Rogers 1991: 75). Regulatory reform was considered absolutely necessary. The industry had become overburdened by years of government regulation and the U.S. rail network was deteriorating. U.S.deregulation proved to be the key motivating factor in the decision of the Canadian federal government to reform rail policy in Canada.

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<sup>9</sup> For example, between 1936 and 1960 in Canada the rate of private automobile registration rose from 1, 240, 124 to 5, 256, 341 vehicles, while the mileage of surfaced roads more than doubled.

In recent years Canadian railroad policy has undergone significant change. The basic legislation determining the regulatory structure of the railways was the 1967 National Transportation Act (NTA). This was revised in 1987 due to overwhelming changes in the rail industry, a result of the liberalizing effects of the Staggers Rail Act. Rogers observes, *"rarely has a piece of legislation been passed in the United States that had such significant implications on Canadian industry"* (in Grimm and Rogers 1983: 82).

Until 1977, Canadian National Railway (CNR) a crown corporation -and Canadian Pacific Railway (CPR) provided passenger rail service in Canada. Both these corporations began major restructuring during the mid 1970s. A key strategy used by the railways was to divest themselves of employees and money-losing operations. Jones and Rosenberg (1992: 200) suggest that because passenger rail services are labor intensive and becoming less attractive due to competition from air, rail and road transport, they became easy targets for service cuts (Jones and Rosenberg 1992: 200). When both of Canada's railways decided to eliminate their passenger rail services, the federal government moved in to maintain service by creating VIA Rail in 1989, with the help of subsidies.

In Canada the restructuring of rail transportation services has led to issues concerning access and mobility. Some have referred to this as a *"crisis."* For example, Jones and Rosenberg observe,

*"The crisis in Canada's transportation services to remote communities needs to be understood in terms of the decisions and implications for three groups: the transportation operators, the remote communities and the federal government"* (Jones and Rosenberg 1992: 200).

The restructuring process has social, economic and spatial implications for citizens living in specific regions of the nation. For example, Davis observes,

*“Clearly, it most affects the farther regions, east and west, where the railroads are a social utility, and it discriminates against the less affluent, the old, the young, the unemployed, the small towns”* (Davis 1990: 73).

No doubt the policy changes affect the long-term survival of rail, where the ability to move freight, not passengers, is considered important. Cloke finds,

*“While the key concern of shippers and communities up until 1920 was to get a rail line, the concern in recent decades has been to retain the rail service that communities have”* (Cloke 1985: 8).

This is a concern in many parts of the world. In Britain, for example, during the 1950s over 5,000 miles of passenger-carrying rural railways were lost or abandoned in rural Britain (Moseley 1985). Today outside the Greater London Area (GLA), virtually all railways have an inter-urban function. They act as main lines between the main urban regions of the nation. In short, Moseley considers the rural branch line a thing of the past (Moseley 1979).

In the United States, abandonment has been facilitated by legislation that enables U.S. rail companies to shed themselves of unprofitable lines. Many of these unprofitable lines were rural branch lines that operated passenger service to small isolated communities. A major issue associated with abandonment, is the absence of local hearings and community interest in the matter (Cloke 1985: 24).

As a result of transport policy reform, private interests now operate many rural rail lines. Local community groups and Chambers of Commerce play a role.

However, with the arrival of new rail service providers, there have been failures as well as successes. Cloke (1985) suggests the failures have resulted from several major factors including: inadequate traffic, poor infrastructure, management problems, as well as a lack of capital, shipper support and rate divisions. As for the successes, several requirements are needed including: competent, experienced management; shipper support; adequate quality of track; adequate traffic; and other factors.

### **2.2.2 Air Service**

*“Feathers should raise men as they do birds, toward heaven; that is by letter written with their quills” Leonardo da Vinci.*

Early in the twentieth century the advent of air transportation in the U.S. enabled government to regulate the new transport sector. This was accomplished when U.S. Congress passed the Civil Aeronautics Act of 1938. The Act created the Civil Aeronautics Authority (CAA) whose mandate was to control route entry and exit of carriers, regulate fares, award subsidies, and control mergers and inter-carrier agreements (Bailey et al., 1985). Following the Second World War and continuing until the 1960s, many analysts began to question the benefits of regulation. The consensus among leading analysts was that regulation was inefficient and restricted growth in the air transportation industry.

In 1978, the Administration of President Carter passed into law the Airline Deregulation Act (ADA). The Act provided for a liberalization of the airline industry from years of government regulation and red tape (Goetz and Sutton 1997). Deregulation led to significant spatial and geographic changes. For example, Poole and Butler (1999) observe the airline industry evolved through three waves of changes. The first wave, occurring in the 1980s, witnessed the major airlines shift from point-to-point service to a hub-and-spoke route system. The second wave of change is a reflection of the increasing concentration of traffic levels at major hubs during the 1980s. The changes created opportunities for new types of service. This wave is characterized by low-fare, point-to-point services, developed by Southwest airlines. Finally, the third wave of change to emerge from deregulation was the introduction of regional jet service. These changes in the U.S. had an immediate effect on the airline industry in Canada.

In 1987 the Canadian government passed the National Transportation Act facilitating the economic deregulation of Canada's domestic airline industry but at a slower pace than in the U.S. Since then the domestic airline industry has been evolving towards a deregulated industry. Inevitably, a policy change of such magnitude has significant social and economic effects on society, particularly for those located in small rural communities.

Service to smaller communities is a major issue of deregulation. It was predicted that with deregulation many remote, rural communities would suffer a loss of air services (Havens and Heymsfeld 1981; Meyer et al., 1981). In

anticipation of these possible problems, the Airline Deregulation Act stipulated guaranteed continuous service to smaller communities. This was accomplished by the inclusion of the Essential Air Services (EAS) programme which provided for federal funding to subsidize air services for communities that had been receiving air services prior to deregulation (Reynolds, Feighan 2000: 5).

However, research shows that many small communities in the U.S. have experienced deterioration in services, in some cases, a complete loss of service as a result of deregulation (Kihl 1988). In Canada, the same concerns are held by the public concerning the fate of northern and remote communities in an era of deregulation. Moreover, for many northern and remote communities there is no reasonable alternative mode of transport available to them.

### **2.2.3 Maritime Service**

In Canada the federal government has traditionally regulated the activities of the commercial shipping industry, as well as the numerous waterways and ports of the nation. However, the last two decades have been important for maritime policy reform. Davies (1994) suggests reform was necessary due to the overwhelming impact of the U.S. Shipping Act of 1984. Unquestionably, U.S. legislation forced Canadian policy-makers to reconsider their own policies on commercial shipping. In adopting the Shipping Conference Exemption Act (SCEA) in 1987 there was a shift in commercial shipping policy from the British

inspired model, to the American inspired model (Davies 1994). It is expected that the move to the American model will allow greater commercialization of the waterways and ports of Canada, in so doing, eliminating bureaucratic red tape and allowing greater freedom for the maritime sector.

The advent of containerization<sup>10</sup> and intermodalism<sup>11</sup> play an important factor in recent transport policy changes, particularly concerning ports. Advances and innovation in transport technology, such as containerization and intermodalism have rendered much port infrastructure obsolete (Hershman and Kory 1988). Technological innovation, greater environmental awareness and regulation, more public use of port lands and the declining role of the federal government have all left their mark on Canadian ports. Therefore, the federal government has deemed it necessary to reform the maritime transport sector.

## **2.3 CONCLUSION**

This chapter has examined the literature on transport policy reform and small communities in Canada. It indicates that small communities have very

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<sup>10</sup> Hayuth defines containerization as a "method of cargo handling whereby small parcels can be unitized by use of standard containers, normally 220 or 40 feet (6 or 12 m) long, which can move from origin to destination through different modes of transportation and using sophisticated loading and unloading techniques." (Hayuth 1987)

<sup>11</sup> Hayuth defines Intermodalism as "the arrangement for through transportation, from shipper to consignee, over the lines of two or more transportation modes and under through-liability, through-billing and through rate". (Hayuth 1987)



distinctive characteristics. In shaping these communities transport and settlement have played a particularly important role in the heartland-hinterland process. Small communities, many of them in remote areas are elements defining the heartland-hinterland. The literature shows this to be an important process in the settlement structure of Canada.

There are many issues and problems affecting residents of small communities. The literature shows that people located in the periphery suffer from a transportation disadvantage. There is much evidence of the specific problems faced by small remote communities, particularly those affecting the large number of elderly residents located in small communities and their access to healthcare. This is likely the case in Gaspé where a majority of the population is elderly or rapidly aging. Issues surrounding the accessibility of transportation and access to healthcare are expected to be significant. With its rapidly aging demographic profile, the Gaspé is a good example of a region in which a significant proportion of the population suffers from a transportation disadvantage.

In addition, the Gaspé region suffers from out-migration of its youth, who leave in search of suitable employment opportunities. The literature shows that out-migration of youth in small rural communities is endemic. In Gaspé, this is a serious problem, as with fewer youth, there are much slimmer chances for economic and future community development.

One of the worst fears of any community is the possible loss of transportation links. The loss of transportation services is one of the most pressing issues in rural development. Without proper transportation links the community faces serious problems in retaining or attracting business to the region and remaining economically viable.

Finally, the review considered the literature on three modes of transport most affected by transport policy reform in the Gaspé: air, rail and maritime. All these modes have terminals in Gaspé. The literature demonstrates that small communities face severe social and economic impacts as a result of deregulation. Several recurring themes emerge: the long-term survival of rail lines, railway abandonment, the high costs of air travel in small communities and the problem of attracting and retaining business and people with the loss of transport service to rural communities. Indeed the most pressing issue facing the community in Gaspé is retaining transport links. If they are lost, or diminished, many believe the community will face problems of survival. These challenges are brought to a head by the policy reform presently affecting the key transport modes in Canada. The literature indicates that deregulation of transport affects branch lines, the cost of service, the frequency of service, and railway abandonment. Indeed, this is reality in the Gaspé.

## **CHAPTER 3**

### **PROFILE OF TRANSPORT FACILITIES OF GASPÉ AND THE CHANGING ROLE OF GOVERNMENT TRANSPORT POLICY**

#### **3.1 Introduction**

Why is the state redefining its role? Public sector reform is an international phenomenon brought about by the big government bureaucracies of the 1960s and 70s. During this era, many new regulatory bodies were formed, passing regulations over everything from air quality to noise levels. Historically the state had intervened to regulate the economy, but increasingly, it became committed to social and environmental regulation. The sheer size and power of the bureaucracies grew apace (Tittenbrun 1996).

Since the 1980s privatization and deregulation of the economy have been increasingly popular policy options, in both developed and developing nations' (Yarrow 1986). This global phenomenon is part of a change in public perceptions concerning the role of government in money-losing state-owned enterprises (SOE). Privatization of government-owned sectors of the economy, industries, services and agencies, is seen as a means of operating more efficiently at a lower cost. The privatization movement grew out of a mesh of think tanks, political offices and universities.

Liberalization comes in many forms. The three main types are deregulation, divestiture and privatization. The literature defines deregulation as the introduction of competition into statutory monopolies (Kay and Thompson 1986). Yet others view deregulation as the removal, or restructuring, of the regulatory apparatus applied to business practices and

structures (Hodge 2000). On the other hand, privatization is seen as the outright sale of publicly owned assets, while divestiture is regarded as the sale of publicly owned assets with some government regulation remaining, usually in the area of safety and the environment (Hodge 2000).

In Canada the federal government has traditionally exercised an important role in the provision of transport services; however, that role is in transition. Federal transport policy now emphasizes deregulation and relying on market forces to develop an efficient and affordable national transportation system. Subsidies have been reduced or eliminated as the federal government's role in the provision of transport services has been narrowed to safety regulation and monitoring to ensure adequate choice and competition.

### **3.1.1 Transport Canada**

In Canada the federal government plays a major constitutional role in the development and regulation of the national transportation system and transport services. These policies are developed and administered by Transport Canada (TC). This department oversees the development of transport infrastructure and the administration and operation of the national transportation system. Transport Canada regulates and administers the activities of the air, rail, and maritime sectors.

In 1994, Transport Minister Doug Young initiated a transformation of Transport Canada. Young argued that large segments of Canada's transportation system were overbuilt. For example:

- 94 per cent of all air passengers and cargo used only 26 of 726 airports;
- 84 per cent of all rail traffic used only 33 percent of the railway lines, and;
- 80 per cent of all marine traffic passed through only 30 of 300 ports.

The Minister also claimed that there were too many direct subsidies:

- \$590 million under the Western Grain Transportation Act;
- \$100 million under the Maritime Freight Assistance Act; and the Atlantic Region Freight Assistance Act;
- \$330 million for passenger rail services;
- \$160 million for ferry services;
- \$100 million for harbours and ports;
- \$30 million for underused railway branch lines.

Since 1995 Transport Canada has undertaken liberalization that has touched all modes.

### **3.2 NEW POLICY DIRECTION**

#### **3.2.1 Maritime Policy: The Canada Marine Act and the National Marine Policy**

The new National Marine Policy called for a commercialization and modernization of Canada's ports and waterways. The policy impacts on all areas of the marine transportation system including the operation of ports, the St. Lawrence Seaway, and pilotage authorities.

Under the National Marine Policy, ports under the jurisdiction of Transport Canada are classified in three categories: Canada Port Authorities (CPA), Regional/Locals, and Remote sites. The country's larger ports are

given CPA status and form part of the National Port System (NPS). This status gives them greater local control of day-to-day decision-making. CPA status is granted to those ports that play an important role in domestic and international trade, are self sufficient, have a diverse traffic base, serve a large market area, and have links to major rail lines or highway infrastructure.

The operational control of these ports has been transferred from Transport Canada to representatives appointed by port-user groups and various levels of government. They are federally incorporated as not-for-profit corporations and are run with a mandate to operate with full commercial discipline, being required to adhere to strict principles of public accountability. Examples include Montréal and Vancouver.

Second, the majority of ports that are not part of the National Port System are designated as *Regional/Local* ports. The policy sought to transfer these ports to provincial governments, municipal authorities, community organizations, and private interests.

Finally, there are Remote ports. These ports are defined as those where:

- Marine transport is the primary mode of transportation for the movement of people and goods for at least some portion of the year;
- There is a dependence specifically on the existing Transport Canada fixed wharf structure, alongside which vessels can tie up safely; and
- The community is connected by a road network to another site with a wharf and/or not connected to a major centre by year-round surface means or regular air service (National Marine Policy, December 1995).

Since 1995 steps have been undertaken to divest the Regional/Local ports. A published set of *Guidelines and Directives for Port Divestiture*

provides a detailed outline of how the divestiture process should be handled at each stage, the authorities and responsibilities of each manager and the resources that are available for the process.

There are six basic steps to port divestiture:

1. Transport Canada Regional official's initiate port divestiture discussions with local interests.
2. The local entity signs a non-binding Letter of Intent and a Disclosure of Information Agreement with Transport Canada to protect third party information.
3. Transport Canada provides the local entity with financial/statistical data and relevant information concerning environmental, technical/engineering, and property/ leasing issues.
4. The local entity conducts a due diligence process (public hearings).
5. Transport Canada and the local entity negotiate financial and other condition of transfer.
6. Both parties sign a Transfer Agreement.

The Divestiture Program applies to 549 ports across the country operated by Transport Canada. They are being divested presently to other departments, provincial governments, or to local community interests.

### **3.2.2 Rail Policy: The Canada Transportation Act**

The Canada Transportation Act (CTA) provided a framework for the regulation, of the rail transport system. The Act took into account the regulatory burden on the rail companies and sought to increase competition. The CTA called for:

- Streamlining and shortening the process for rail line abandonment;
- The easing of entry for smaller low-cost rail carriers to operate in concert with CN and CP;
- The removal of unnecessary or duplicative regulatory provisions;
- The introduction of provisions to foster a commercial relationship between the shipper and the carrier, and encourage them to resolve their own problems without recourse to the developer;
- Placing greater reliance on general business laws, where applicable, and;
- Several technical changes designed to put railway companies on a more even footing with U.S. rail practices.

### **3.2.2.1 Railway Subsidies**

Rail subsidies have traditionally been the single, biggest Canadian transport subsidy. The CTA allowed for Canadian National Railway (CNR) and Canadian Pacific Railway (CPR) to rationalize their networks. Prior to the legislation, they were required to keep up and maintain track as a public service, even on those lines that were not drawing sufficient revenue yields.<sup>1</sup> The CTA modernized and streamlined the regulations and reduces red tape, while continuing the government's commitment to safety and the environment. For example, the CTA allowed for the elimination of a \$600 million subsidy payment under the Western Grain Transportation Act (WGTA).

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<sup>1</sup> This policy of cross-subsidization siphons profit from profitable lines and redirects it back to unprofitable lines. It has been a common subsidization tool in Canada.



### **3.2.2.2 Shortline Railroads**

Short line railways play a growing role in local economies across Canada. Since the enactment of the CTA, CN has rationalized over 9,600 kilometres of secondary track as surplus. Much of the rationalization occurred on rural branch rail lines, many of which are located on the Prairies. For example, the 134-kilometre Cowan Subdivision in Manitoba has been transferred to the Village of Ethelbert. In this case, the municipality sought to ensure the continued operation of an asset that is important to the economic development of the community. Across the country regional railways own and operate rural rail lines that might otherwise have been abandoned. The short line and regional railroads may be seen as a solution that will allow small communities to preserve rail service. This in fact is what has happened in the Gaspé.

### **3.2.3 Air Policy: The National Airports Policy**

The National Airports Policy (NAP) announced in July 1994 provided a framework for the private operations of Canada's airports. Under the policy, the federal defined two main types of airports, nationally significant airports and Regional/ Local Airports. Canada's 26 largest and busiest airports form the National Airport System (NPS). Each is administered by a Canadian Airport Authority (CAA), which is run by a board of directors drawn from community representatives. The CAAs are not-for-profit organizations that are expected to invest profits back into airport infrastructure under a lease

agreement with the federal government that lasts for 60 years. The Regional/Local airports are defined as those sites:

- Whose scheduled passenger traffic is less than 200,000 a year for three consecutive years;
- Not the national capital or a provincial or territorial capital;
- Not classified as Arctic or remote airports, and;
- Where there is currently some form of ongoing federal financial involvement relating to the ownership or operation of the airport; and
- With scheduled passenger traffic.

70 such airports are to be turned over to local interests. It is hoped that under local ownership the Airport will be able to respond to the needs of the people and that service levels will increase. It may allow communities to exploit their airports, reduce costs, and attract new types of business.

### **3.3 TRANSPORTATION INFRASTRUCTURE IN GASPÉ**

The town of Gaspé is served by all the major modes. There is a major highway, a rail line, a municipal airport and a port. The 132 highway follows the peninsula along the coast and runs through the town of Gaspé. There is also a road leading to the copper mine at Murdochville. Passenger train service is provided by VIA Rail Canada Inc. with the train station located in Gaspé. The train station serves as the eastern terminus for passenger service in Québec. The municipality of Gaspé has scheduled local air service at the Gaspé Municipal Airport located approximately 18 kilometers from town of

**Gaspé. Finally, the port of Gaspé at Sandy Beach serves the region and the copper mine located at Murdochville.**

### **3.3.1 Gaspé Harbour and Port**

**The port of Gaspé is considered one of the finest natural harbours in eastern Canada. The wharf at Gaspé (Sandy Beach) is situated in an industrial zone at the eastern extremity of the Gaspé Peninsula. It is in a protected natural harbour is seven miles wide at its entrance, and almost seventeen miles long. The harbour provides a water depth of 45 feet and requires no dredging. The port is accessible 12 months a year with ice breaking services. The principal industrial users of the port are Ultramar, Irving Petroleum and Gaspé Mines (a Division of Noranda Inc.) As well, Fisheries Canada and local fishermen use the port. The principal products or cargo moved at the port include fish, mineral concentrate (copper), and petroleum products, acid, salt and woods. The port infrastructure contains an administrative office building, an access route for trucks and automobiles and a rail link. The public wharf has two berths, 180m and 175m, with a depth of 10m and 8 m respectively. Between January 1 and December 31, 2000 the port of Gaspé handled a total outbound traffic of 583, 058 metric tons of cargo and received 484, 780 tons in inbound traffic.**

### **3.3.2 VIA Rail Terminal**

The eastern terminus for VIA Rail passenger service in Québec is located in Gaspé. VIA Rail Inc. uses track lines belonging to Canadian National Railway (CNR) and to several short line railways operating in Québec. It provides regular scheduled passenger service three times per week in each direction from Gaspé to Montréal. This *Chaleur* service runs from Gaspé to Matapédia where it joins the Montréal-Halifax Atlantic passenger service. In addition to passengers, freight is moved on the rail line. The main goods shipped by rail include forest products and copper. Since 1997 the 146 miles of trackage between Matapédia and Chandler have been owned by the Chemin de fer Baie des Chaleurs (CfBC) and the Chandler-Gaspé portion of the line is under the ownership of the municipality of Gaspé. These two short lines have been constituted out of track abandonment by CN. They serve the forest products and mining industries and host VIA rail intercity passenger service.

### **3.3.3 Gaspé Regional Airport**

Gaspé Airport is situated 18 kilometers from the town of Gaspé. It is one of the few regional airports located on the Gaspé coast, the nearest airport being 110 km away by road. The airport competes with rail service, scheduled bus service and a taxi service offering connections to Montréal and other points. The airport has a total land area of 97 hectares and contains one asphalt runway measuring 4000 x 150, an air terminal building of 482 meters built in 1972 and a flight service station. There are three scheduled passenger

air carriers that serve the Gaspé Airport using Dash 8 type regional jets. On 6 January 1998 Gaspé Airport was transferred to the City of Gaspé. Transport Canada transferred the airport to the city along with a one-time financial contribution of \$993,000.

### **3.4 CONCLUSION**

In Canada the federal government has taken steps to fundamentally change the transportation system. Policy changes are occurring at a time when Canada's economy is in transition and is affected by a number of trends including the globalization of markets, economic integration, new commercial strategies and technologies, as well as falling barriers to cross-border trade.

In Gaspé three transport modes are affected by these changes: air, rail and maritime. The airport, port and rail line have been placed under local ownership. Since transportation is a critical service in rural areas, the change has an uncommon impact. Because Gaspé has been affected by all three-transport policy changes, it is unique in Canada. No other community is affected by the divestiture of three transport modes and the community's long-term survival is threatened by these policy changes.

## **CHAPTER 4**

### **COMMUNITY PROFILE AND ISSUES**

#### **4.1 Introduction**

Urban dwellers often take for granted the sidewalks they walk on, the taxis they hail, and the commuter trains, buses and subways they board. However, these services are not a reality in rural areas where public transit is virtually non-existent. Thus, a major problem often cited by people living in rural areas is transportation. The literature has defined the problem as including getting to and from work, moving in and around small communities to meet social and personal obligations, and getting to larger communities where services are available (Jones 1981, Moseley 1979).

In this chapter, I provide a community profile of the Gaspé region, including population and census data. In addition, I describe the socio-economic and transport related problems that afflict remote, rural communities focusing in particular on the town of Gaspé, Québec.

#### **4.2 COMMUNITY PROFILE**

##### **4.2.1 Natural Physical Setting-The Region**

The Gaspé Peninsula is located on the eastern shores of the province of Québec, directly north of the province of New Brunswick. Three bodies of water touch it: Chaleur Bay in the south, the St. Lawrence River in the north, and the Atlantic Ocean in the west. It is classified as administrative region 11

by the Québec government. This region is composed of six municipal regional councils (MRCs): Avignon, Bonaventure, Pabok, La Cote-de-Gaspé, Denis-Riverin, and the Magdalen Islands. The majority of the population lives near the coast, with the southern shores of the peninsula being more densely settled with over 80 % of the region's population. Small towns, such as Chandler, New Carlisle, and New Richmond, are located along the southern coastline. The interior of the region is a heavily forested area, and is devoid of population.

#### **4.2.2 The Town of Gaspé - Site and Situation**

The town of Gaspé, Québec is situated at the tip of the Gaspé Peninsula in the Gulf of St. Lawrence. The scenic and tranquil beauty of the peninsula draws tourists to the region. Indeed, there are many tourist attractions located in close proximity to Gaspé including the famous Percé Rock and two nature parks; the Forillon National Park, under federal jurisdiction, and Parc Gaspésie under provincial management. In addition, the region has three renowned salmon rivers that attract anglers from around the world. Tourism has given rise to many small businesses located in Gaspé, but the tourist season in Gaspé is short and the activity is very seasonal.

Located approximately 120 kilometres from Gaspé, to which it is linked by road and rail, the resource town of Murdochville is important because the copper mine and smelter (Noranda Inc.) generates business for the port of Gaspé at Sandy Beach. However, the mine is depleted and the copper

concentrate needed for production is shipped to Gaspé from Chile, via the port, processed in Murdochville, and moved out to the port for export. Despite the natural setting of the harbour and the many natural attributes of the region, the town of Gaspé has not grown into a large urban centre.

#### **4.2.3 Population Characteristics**

The population of Gaspé in 1996 was 16, 517 dispersed over a land area of 1, 105 square kilometres. There was a 0.7% increase in population between 1991 and 1996, representing a net increase of 115 people (See Table 1). Nationally, the population grew by 5. 7% between 1991 and 1996. The higher growth rate in Canada is attributed to immigration and the appeal of major urban centres, such as Montréal, Toronto, and Vancouver. Remote regions, at best, are minimally affected by immigration.

**Table 1:**

#### **Population Statistics for Gaspé, Québec**

<b>Characteristics</b>	<b>Gaspé</b>	<b>Canada</b>
Population in 1996	16,517	28, 846,761
Population in 1991	16,402	27,296,859
1991 to 1996 pop. change %	0.7	5.7
Land area (square km)	1,105.11	9,203,210.49



## **4. 3 SOCIO-ECONOMIC PROBLEMS**

### **4.3.1 Youth Out-Migration**

The town of Gaspé and its residents face difficult times. The out-migration of youth from the region to larger urban centres such as Toronto and Montréal, affects the remaining community. This is part of the rural to urban migration trend that has been an on-going process throughout the Twentieth Century. There are two reasons for its occurrence. First, students leave to pursue post-secondary education, or university. In Gaspé there is only one CEGEP and no university. Those who wish to attend university must go to the larger urban centres. Many of the young seldom return once their studies are completed, as there are greater employment opportunities in the larger urban centres.

Education levels in Gaspé are below the provincial average (See Table 2). The dropout rate for youth is very high in Gaspé. 29.9% of the population have less than grade nine educations, compared with the provincial rate of 20.4% and only 12.2 % of the population has a University degree, compared with 16.9 % provincially. There is another push factor at work here.

Secondly, there are few employment opportunities in the region. Since the early 1980s, the population of the Gaspé has declined by 6, 500 individuals between 1986 and 1991 alone. This represents a loss of 6% of the population while the total population of the rest of the province grew by 5.6%.<sup>1</sup> Many out-migrating are the young, leaving an aging population as the majority. This has serious consequences for the community. Elders point out

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<sup>1</sup>Census of Canada, 1991.

that with less youth there are fewer caregivers, entrepreneurs and future community leaders. This contributes to the sense of isolation felt by rural communities and their residents.

**Table 2:**

**Education Statistics for Gaspé, Québec, 1996.**

<b>Characteristics</b>	<b>Gaspé Total</b>	<b>Québec Total</b>
<b>Highest level of schooling for age 25 +</b>		
<b>% of the population 25 + with less than grade nine</b>	<b>29.9</b>	<b>20.4</b>
<b>% of the population 25 + with high school or higher</b>	<b>54.1</b>	<b>64.8</b>
<b>% of the population 25 + with trades or non- university certificate or diploma</b>	<b>34.2</b>	<b>40.0</b>
<b>% of the population 25 + years of age and over who have completed university</b>	<b>12.2</b>	<b>16.9</b>

**4.3.2 Employment Opportunities, Economic Dependence  
Retaining and Attracting New Business to the Region**

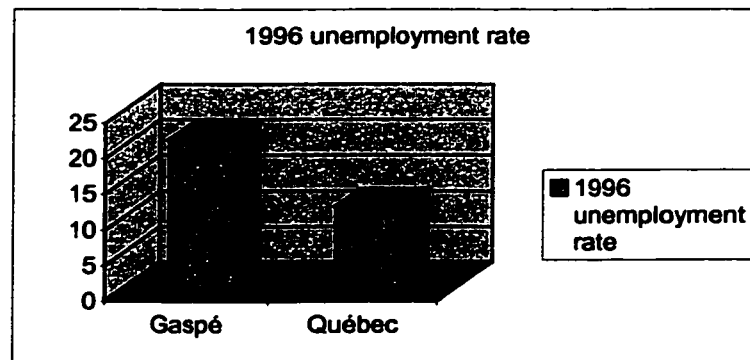
In Gaspé a major issue is the lack of employment opportunities and the decline in the traditional natural resource industries. This has led to a lack of economic diversification. With few job opportunities to offer, people are pushed away from the region and unemployment is high.

Unemployment was 21.6 % in 1996 and is almost double the provincial rate of 11.6%. As well, the participation rate of 58.1% is lower than the provincial rate of 62.3 %). The high unemployment level and the lower

participation rate is an indication of the lack of employment opportunities and the seasonal nature of much employment. Thus, many dropout of the search for work and enter the unemployment or welfare rolls. This is a common trend in remote, rural regions that suffer from a lack of economic opportunities and diversification (Census of Canada, 1996).

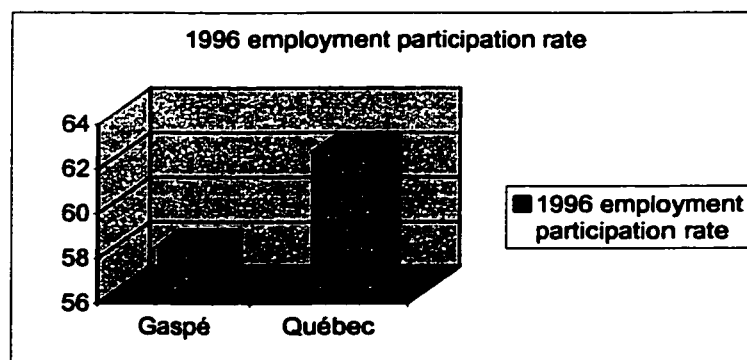
**Figure 1:**

**1996 Unemployment Rates of Gaspé and the province of Québec.**



**Figure 2:**

**Employment participation rates for Gaspé and the province of Québec.**



The lack of economic diversification means lower earnings for Gaspé workers. The average annual income in Gaspé was \$20, 212 in 1996, which is below the provincial level of \$23, 198. Two major reasons are the region's dependence on natural resources and community members dependence on social assistance in the form of either welfare or unemployment insurance (UI) benefits. Since the community lacks a diverse economic base, there are few opportunities. The region is marked by seasonal, short-term and part-time employment opportunities, with people claiming UI and welfare benefits for much of the year.

**Table 3:**

**Income Statistics of Gaspé, Québec, 1996**

<b>Characteristics</b>	<b>Gaspé Total</b>	<b>Québec Total</b>
Average total income of those reporting income (\$)	20,212	23,198

Previously, the Gaspé relied on the farming, forestry, fishing and mining sectors as a major source of employment. However, these sectors are in severe decline. The traditional resource-based economy is in transition to a knowledge-based information economy based on tourism, services and administration.

In Gaspé, the community's reliance on the fisheries used to be considerable. However, the moratorium on cod fishing and crab quotas has affected the community drastically. It has meant fewer weeks of work for the employees of the processing plants in the region. Furthermore, the seasonal nature of the work is a problem. Fishermen and the provincial government established employment projects to ensure crab workers were able to meet new tougher criteria for EI (Employment Insurance) benefits.<sup>2</sup> As well, the moratorium on ground fish fishing has affected cod fishermen. Ottawa and Québec have an agreement on an early retirement program for cod fishermen, the costs being shared with Ottawa assuming 70% of the expense and Québec contributing 30%. However, this has not benefited many of the cod fishermen in Gaspé who are not eligible for aid because of stipulations in the agreement concerning people who are already receiving benefits from fisheries adjustment programs, or from license retirement programs. Furthermore, beneficiaries must deduct from their monthly allocation any amounts received from the EI system, disability payments, and any pension income paid by their employer.

The mining and forestry industries used to play an important economic role in the region, however, that role is now in question. The Noranda copper mine located at Murdochville, and the Abitibi-Consolidated Gaspésia Pulp and Paper Mill located at Chandler, have both suffered serious setbacks. The paper plant closed its doors in October 2000 throwing 600 individuals out of work, while, Noranda counted 300 job losses when it closed its copper mine

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<sup>2</sup> The Spec, 'Crabby crab workers not yet satisfied', 13 June 1999, p.6.

at Murdochville. The smelter remains operational, however, with the ore needed for production being shipped in from outside the region.

The economic restructuring of a primary-based economy, such as that of the Gaspé, has a direct effect on transport. With declining demand from traditional customers, transport providers cut back their services. This in turn hinders economic growth and limits the transport opportunities for the residents. This constitutes a transport a transportation disadvantage.

#### **4.3.3 Transportation Disadvantage and an Elderly Population**

The social groups most affected by transport policy reform include elders, the young, the disabled, single-car households, students and housewives (Hopkins *et al* 1978; Pickup 1981). They suffer from a transportation disadvantage, which occurs when an individual's mobility and accessibility are impaired. The main factors that affect individual transportation needs are the accessibility and mobility components. These include, whether an elder has a drivers license, the number of vehicles available in a household, and; the health status of the individuals (Banister 1983).

In Gaspé, rural elders depend on the train to get to their specialized healthcare appointments in Montréal or Québec City. This is because many are incapable of driving personal automobiles because of poor health or failing eyesight, and yet others are disabled and immobile. With cutbacks to air and rail service in rural areas, the problems of the disadvantaged have

increased. The high costs of flying, the comfort factor of bus service, and the availability of a personal automobile are reasons for a transportation disadvantage. In Gaspé this explains the reasons why the elderly prefer the train.

#### **4.3.4 Access to Specialized Healthcare**

According to the 1996 census, 30.3 % of Canadians live in rural communities, however, only 14.3 % of general physicians and 2.9 % of specialists serve the 9 million people living in rural Canada.<sup>3</sup> In Gaspé, demographic data reveal the region is becoming less populated and older. A major consequence of population aging is that demand for healthcare services increases, in particular specialized healthcare. This makes access to healthcare a growing concern among rural community members. Rural communities suffer from a lack of physicians and nurses. This is because the rural regions often lack the resources and facilities to attract the specialists, nurses and doctors to their regions. This is a common problem in most rural communities. The social and economic costs are considerable. For example, rural residents must travel long distances to receive treatment, and they suffer from stress associated with the financial hardships of having to travel long distances for treatment. It leads to a labour force that is less productive, less efficient and less competitive, which in turn, limits the attractiveness to many businesses

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<sup>3</sup> Census of Canada, 1996.

The federal government has recognized the severity of the rural healthcare problem. The National Health Summit <sup>4</sup> conference held in Prince George, B.C. on 9 February 1999 addressed these issues.<sup>5</sup> Over 400 rural municipal officials, healthcare providers and educators gathered to develop a plan of action concerning remote and rural regions and their access to healthcare. The *National Health Summit Report* of 9 February 2000 recommended the following;

- 1) Adopt an official healthcare and community development plan;
- 2) Train more physicians for practice in rural and northern communities;
- 3) Have greater advocacy of rural healthcare issues at the national level; and
- 4) Have greater action at the local level.

#### **4.3.5 Railway Abandonment**

In Gaspé, railway abandonment is a serious issue in the community. The possibility of railway abandonment of certain portions of the line is a reality. The community is active and vocal in its opposition to railway abandonment. The rail line is seen as a vital link with other rural communities and the larger cities. The possible closure of Abitibi-Consolidated's Gaspésia pulp and paper mill in Chandler, is seen as a challenge to the viability of the

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<sup>4</sup> The National Health Summit is the first government sponsored national summit on rural healthcare in Canada.

<sup>5</sup> The National Post, 'Summit tackles health in rural areas, shortage of doctors a pressing problem', 25 October 1999, p. A7.



rail line.<sup>6</sup> The rail line is used to move the newsprint to markets.<sup>7</sup> It is the largest client for the Chemin de fer Baie des Chaleurs (CfBC) in terms of revenue. It transports between 2- 3,000 cars of newsprint are transported every year over 142 miles of track. The high operating and transport costs were the main reasons for the company's decision to close the plant. The freight shipped on the line is an important community issue because it helped offset the high costs of providing passenger services. The entire rail line is in jeopardy of abandonment as a result of the possible loss of 550 jobs at the Chandler newsprint mill.

#### **4.4 CONCLUSION**

In Gaspé, the socio-economic problems that arise from transport policy reform include: access to healthcare for an aging population, the possibility of railway abandonment, increased economic dependence, and problems associated with the attraction and retention of business to the region, particularly with the possibility of reduced transportation services. The literature has identified that these are common problems associated with remote rural communities and transport reform.

In Gaspé the possibility of losing modes of transport hangs like a dark cloud on the horizon. The community is dwindling, getting older, suffers from high unemployment levels and seasonal jobs, and many are on some form of social assistance. In addition, the availability and state of healthcare services

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<sup>6</sup> The Spec. 'Gaspésia closure threatens railway', 27 June 1999, p.1.

is poor. Quality of life is a determining factor in investment and business location decisions. Healthcare is an important component of 'quality of life'. The indirect impacts on the community are seen in a less healthy workforce, lower productivity as a result of missed work while being treated, and individuals who require longer to recover because they did not receive timely and adequate treatment.

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<sup>7</sup> The Montreal Gazette, '*Gaspésians plan downtown rally today*', 26 November 1999, p. A5.

## **CHAPTER 5**

### **SURVEY RESULTS AND ANALYSIS**

#### **5.1 Introduction**

The literature reveals that remote, rural communities are greatly affected by transport policy reform. Residents of these communities are dependent on transportation to get them to and from work, to move in and around small communities to meet social and personal obligations, and in getting to healthcare appointments, usually in the larger urban centers (Jones 1981, Moseley 1979).

The socio-economic costs incurred by rural communities under policies of divestiture are considerable. The specific responses of a community during transport policy reform are not well understood. Do all respondents see the changes in negative terms? Are there any positive aspects as seen by the local community? In this chapter the community responses to the changes are presented and assessed.

The community responses are based upon a survey carried out in June 1999, and followed a method described in Chapter 1. Two groups of individuals were surveyed, public officials and community activists. There were a total of 15 questionnaires answered by each sampled group (see Appendix B and C). Their responses are grouped and presented in two stages. First is a presentation of how each group ranked in order of importance to the community the three transport facilities under divestiture, rail, port, and airport. There was a very high

degree of agreement among the interviewees in the two groups. Second, is a summary presentation of the attitudes and opinions expressed through the questionnaire and open-ended interviews. These attitudes and opinions are not a ranking of the specific modes but rather they shed light on the interviewees' perceptions of the modes affected by reform. The chapter concludes by an analysis and interpretation of the survey results.

## **5.2 RESPONSES AND OPINIONS OF COMMUNITY MEMBERS**

Community members included individuals active in promoting the community through their membership in advocacy groups and local organizations such as Gaspé CASA, the SPEC community newspaper, Rural Dignity, Gaspé Community Television Station, and the Gaspé CEGEP.

### **5.2.1 Ranking of the modes in terms of importance to the town of Gaspé**

The community members ranked train service as most important followed by air service and maritime service.

### **5.2.2 Attitudes and Opinions**

The response of community members to the questionnaire provides valuable insight into their understanding of the role and function of each mode of transport on their community. They expressed a number of specific issues concerning the

privatization of transport services and the social and economic costs to their region. The rail line between Chandler and Gaspé is considered of utmost importance.

### **Train Service**

- Community members consider that the train service must be provided by government, since there are many community members dependent on the train as an outside link with other rural communities and the nation at large. Thus, it is considered absolutely necessary to maintain this link as an essential service.
- Rural elders use the train to access specialized healthcare appointments not available in the Gaspé. In short, they must go to either Montréal or Québec for treatment. Since travel by air is financially impossible and they are without a personal automobile, or unable to drive, the train is the only viable option for rural elders. Community elders often referred to it as an ambulance.
- The train is considered to be the most personal mode of transport. Community members speak nostalgically of the glory days of the railroad in Canada. They insist it gives permanence in their community. The air and maritime modes are considered much more impersonal modes, since they are seldom used by average citizens.
- In Gaspé there are issues of safety. Safety is a major concern since the Chandler-Gaspé section of the line is under local community ownership. The rail line is in dire need of upgrading. However, under local ownership, the community cannot afford the new infrastructure. This portion of the rail track infrastructure is very old and treacherous, and numerous trestles and bridges

must be crossed on the rail journey to Gaspé. Much of the track was laid down shortly after Confederation in 1867. Thus, a major issue for the community is safety over the portion of track it owns and operates.

### **Maritime Service and Port**

- Community members consider the port the least valuable mode. This is because the port is removed from the daily life of most community members; they do not use it unless they are employed at its facilities. It is seen as a mode of transport for industry. Citizens do not recognize the role the port plays within the community and local economic development it provides.
- Community members consider the port important in the history of the Gaspé; they cannot see how it would affect their lives in the future.

### **Air Service and Airport**

- Community members consider air service and the airport to have a minimal effect on the average citizen. If one were to board a plane at Gaspé Airport, one would notice a lack of the elderly, women and children, as well as students. What one would find are businessmen in suits and ties. These are the individuals that air travel caters to in the community.
- A major issue in northern and remote regions is that airfares are well beyond the reach of average citizens. In Gaspé, this is the case. The price of a return ticket to Montréal is over a \$1,000. It was often stated one could fly to Europe for cheaper. However the majority of rural elders who need to use the

services of an airplane cannot afford to, or are uncomfortable flying. They almost all prefer the train, where there is more comfort.

- The elderly who suddenly become ill and need to be taken to hospital in Montréal for emergency treatment use air transport. During these difficult times, family members often like to accompany the ill family member. However, due to the high fares they are unable to travel with their relatives.
- *Safety* is a major issue often mentioned by community members concerning air travel. The issue is the workers formerly employed by Transport Canada no longer are qualified to operate the fire truck at the airport and a dozen volunteer firefighters from Gaspé town must drive to the airport taking from 5 to 10 minutes. Another safety issue is the length of the runway in Gaspé. The planes taxing area and the runway are 4,000 feet long by 150 feet wide.

### **5.3 RESPONSES AND OPINIONS OF PUBLIC OFFICIALS**

Public officials include those who hold public office, such as the mayor, or serve in a public position, such as the head of the Chamber of Commerce, and manager of the port.

#### **5.3.1 Ranking of the modes in terms of importance to the town of Gaspé**

Public officials rank the air service as the most important transport mode in Gaspé. This is followed by maritime service and train service.

### **5.3.2 Attitudes and Opinions**

#### **Air Service and Airport**

- In Gaspé business leaders and public officials consider the Airport the most important mode. They believe the airport is absolutely necessary for the long-term survival and economic development of the community. They believe this because businessmen who work for industry located in the region need to fly to major urban centres on a regular basis. The time/distance factor is extremely important for businessmen who cannot spend 18 hours riding on the train. Thus, air is the only option.
- Public officials believe that the loss of the airport would have serious consequences and leave a *psychological scar* on the region.
- Public officials believe that liberalization will bring lower fares and better scheduling to the Gaspé.

#### **Maritime Service and Port**

- The port is crucial to the long-term survival of the community. In particular, leaders of local industry consider it essential for *regional development*. They believe that with divestiture of the port, there will be a greater concern for its needs. Local people, not officials in Ottawa in Transport Canada, best understand the region. They believe that with privatization, the much needed infrastructure improvements will be realized. Public officials deemed the port as having great potential, but lacking in proper infrastructure. Thus, the port is considered of important in the *economic development* of the region.



## **Train Service**

- Public officials consider the train the least important mode for Gaspé. They cite the inefficiencies of the service, the time/distance factor and the economics of rail service as the reason for the lowest ranking. Often what was brought up in discussion of the train was it is slow. This is the major reason why businessmen do not use the train. It is also in severe need of upgrading.
- Officials look favourably on the possibility of a *short-line railroad* based on *tourism*. Feasibility studies are now being conducted into the possibility of a *short-line railroad* between Murdochville and Sandy Beach. It is argued that this would open up the region to tourism and industry.
- Public officials were very critical of the inability of the rail to turn a profit. They pointed out the number of people who ride the rails free of charge on old CN passes that have been handed down from father to son in the region, all considered to be a relic of the past and the glory days of the rail.

## **5.4 ANALYSIS**

In Gaspé the differences in the attitudes and opinions of the two sampled groups are evident in the ranking of the modes. For community members, the psychological effects of the train are evident. It evokes images of community and history. However, for the business leaders the airport is seen as a gateway.

The *time/distance factor* is an important determinant in mode choice and preference among transport users in the region. As well, it provides an excellent example to highlight the difference in attitudes and perceptions held by the sampled groups in the Gaspé. For example, on one hand, community members tolerate the 18 hours to make the rail journey between Montréal and Gaspé. Although the train requires an extra six hours over the bus, it is perceived as more comfortable, which is an advantage for those who use it to shuttle to Montréal healthcare appointments. Community members seem to be more concerned with comfort and service rather than with time.

On the other hand, the time/distance factor is a very important determinant in businessmen's travel decisions. The 18-hour journey between Gaspé and Montréal by train is impractical for most businessmen. They almost all choose air travel over passenger rail travel. Businessmen and public officials regard the time/distance advantage offered by air service to be a key advantage. The time/distance factor is very important for remote, isolated communities.

Perhaps the best way to highlight the dichotomy of interests between the two samples is through the use of the concepts of social and economic utility, particularly regarding the utility of the train. For example, community members referred to the train in terms of its social utility. They regard it as an essential service that is best provided by government. They believe there is much more social utility derived from the train than the other two modes. Business leaders and public officials, however, view the train in more economic terms. For

example, they were very critical of the rail lines inability to turn a profit. They considered the train to be a relic from the past. However they do see a possible role for it as a short-line railroad based on tourism. They believed that it would expand the tourist industry.

Safety is referred to and singled out by community members as an important issue in the Gaspé in regards to both rail and air modes. Indeed there has been a fatal air crash of a Cessna at Gaspé airport that claimed four victims. Many community members believe the crash was a result of the weather tower operations being moved to Québec City, arguably one of the consequences of divestiture.<sup>1</sup> Under the new system information is related to pilots enroute to Gaspé by air traffic controllers in Québec City. Nav Canada, a non-profit organization that oversees services to airports across the country, denies this was a determining factor in the deadly crash. There have been a number of accidents and near misses.

In addition, the crash of a Halifax bound VIA passenger train in 2001 is a further reason for community concern.<sup>2</sup> This train forms part of the Chaleur line. While community members often brought up the issue of safety concerning air and rail service, public officials spoke only of the safety improvements that would be derived from the acts of privatization and divestiture.

Thus it would appear that the community is divided along and across political spectrums and economic beliefs. The average citizen views the region's

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<sup>1</sup> The Spec, 'Retired pilot questions safety of Gaspé airport', 2 May 1999, Vol.25, No. 1.

transportation needs in strictly *social* terms. The utility of each mode is measured by the amount of social utility that is derived from each mode. Businessmen and public officials view the regions transportation needs in more economic terms, measuring each transportation mode based on the *economic* benefits that it brings to the region. In short, community members tend to look back at the history of the region and how transportation has played a role in the development of their community. Businessmen and public officials generally look forward to the future and assess what mode they believe will lead to future economic growth and prosperity for the region.

## **5.5 CONCLUSION**

This survey finds that there is a split in the attitudes and opinions of Gaspé residents. On one hand, community members place the greatest importance on the rail line and rail service, followed by the airport and air service, and finally maritime service and the port. Most members of the community have a limited understanding of the role of transport in economic development. They view transportation in more social, rather than economic terms, believing there are social benefits to be derived from transport. This is evident in the train being considered the most important mode of transport in Gaspé. For Gaspésians there is a significant importance in the government's role in transportation.

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<sup>2</sup> The Montreal Gazette, 'Train from Montréal in N.B. crash, eight still in hospital', 31 January 2000, p. A9.

**Indeed, it manifests itself in the railway, where it evokes images of nation building and lends an appeal to community members as a national symbol of pride.**

**On the other, public officials believe that the privatization of the airport, rail and port system will have long-term benefits for the community in the form of increased competition, lower rates and better scheduling. Public officials acknowledge that there might be some short-term problems, however, they honestly feel that privatization is in the best interest of the community, for citizens as well as business and industry. Public officials believe that with private local ownership of transportation facilities that they would have a better chance at economic development. They believe local communities are better able to assess their own needs as opposed to a bureaucrat in Ottawa or Québec. Public officials believe the government should have little or no role to play in transportation. Business should be left to the businessmen and not to government officials if it is to be run efficiently and profitably.**

## **CHAPTER 6**

### **CONCLUSION**

**This thesis finds that transport policy reform has social and economic impacts on the Gaspé region. These impacts are varied and include costs of providing services to the region, the out-migration of youth, problems in attracting and retaining business to the region, access to healthcare for an ageing population and the problems of the transportation disadvantaged.**

**Federal transport policy reform also has given rise to issues of safety. As important as these issues are it is the possible loss of one or more modes of transport in Gaspé that have left the community in fear for its long-term survival. In Gaspé, the possibility of the loss of service by one or more modes of transport has serious social and economic consequences for the community.**

**Thus, the most pressing issue facing the community in Gaspé is retaining its transport links, in particular, the train link with Montréal. If transport link connections are lost, or diminished, there would be a domino effect on the community, placing more individuals at a transportation disadvantage and the town's survival in jeopardy. Transport policy reform is of vital concern to communities such as Gaspé.**

**Free market mechanisms and privatization do not take into account the social and economic costs to society, particularly for those who live in remote, rural communities. Deregulation can lead to the erosion of social benefits gener-**

ated by transport industries. For example, benefits that accrue from the availability of commuter air service in a community attempting to attract and retain industry may be far greater than the revenues obtained by a carrier. A similar argument can be made for passenger rail service when the total value of the service to its users, may well exceed the total cost of the service.

In Gaspé the elimination of rail passenger services would pose serious hardships on the community. This is because rail passengers are more likely to have below-average family incomes and are less likely to have access to a car, or air travel, than the population at large. The bus, while affordable, is not an adequate substitute for long-haul trips because of comfort factors, a lack of amenities and on-board services, and a limited baggage capacity. More importantly, the bus becomes even less relevant when one considers over-night trips. The social utility of the train is the most important factor for community members. The social benefits derived from its use are considered greatly by the community; however, public officials place greater emphasis on the economic costs of providing train service in the region.

Although there are divergencies of opinions on the relative importance of specific modes to the community, there is a wide consensus that transport is vital to the future of Gaspé. This research was undertaken as the reforms were being implemented, and the opinions of the interviewees were speculative. It would be useful to return to the community in a few years time after the reforms have begun to run their course. It would be interesting to assess if the community leaders

will be as favourable to airport divestiture once the bills for operating the airport are borne by the city. Similarly it will be useful to evaluate how positive the actual divestiture of the port will be. Within the next few years the fate of passenger rail service will become clear. Community members will have to make adjustments, and it would be instructive to evaluate these adaptations.

What this thesis has shown is that transport policy may be enacted at the national level for national interests, but that it is played out in communities across the country. Local community concerns were not considered in the policy elaboration or application, but the social costs borne by the remote communities are considerable. Whether Gaspé will be able to retain its airport, port and rail service is still in doubt, but it must be recognized that this uncertainty is casting a shadow over the community.



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## **APPENDIX A**

### **COMMUNITY ORGANIZATIONS AND ADVOCACY GROUPS**

**Gaspé Tourist Association**

**Gaspé Casa Office**

**Gaspé Community Television Station**

**Gaspé Chamber of Commerce**

**Gaspé CEGEP**

**Gaspé City Hall**

**Gaspé Historical Museum**

**SADC Gaspé**

**Sandy Beach Port Facilities**

**Gaspé Regional Airport**

**CBC Radio Gaspé**

**Transport Quebec Gaspé Office**

**Rural Dignity**

**The Spec Community Newspaper**

## **APPENDIX B**

### **COMMUNITY QUESTIONNAIRE**

#### **Community Activists (Interest and Advocacy Groups)**

1. a) Was the community involved in the process of divestiture of the port facilities?  
  
b) Of the airport facilities?  
  
c) Was the community involved in the privatization of the rail line?  
How was the community involved in this process?
2. In your opinion was the community involvement adequate?
3. How has the community acted in general to the changes?  
  
a) Air  
  
b) Rail  
  
c) Port
4. What are some of the social issues that the community faces as a result of these changes?
5. What are some of the main economic issues that the community faces as a result of these changes?
6. Of the changes taking place in rail, air and port operations, which is most likely to impact most on the community? Why? Which will be the least?

## **APPENDIX C**

### **PUBLIC OFFICIALS QUESTIONNAIRE**

#### **Port Manager and Users**

1. What advantages are to be gained as a result of divestiture?
2. What problems may be incurred as a result of divestiture?
3. Has the process of divestiture been appropriate to the actual needs and conditions in Gaspé?
4. Under a new ownership is traffic likely to increase or decline?
5. How important is the port of Sandy Beach to business in the region? If it were to close what impacts would it have?
6. Is divestiture likely to have any consequences on safety?

#### **Airport Managers and Users (Freight, Couriers)**

1. What advantages are to be gained as a result of divestiture?
2. What problems may be incurred as a result of divestiture?
3. Has the process of divestiture been appropriate to the actual needs and conditions in Gaspé?
4. Under a new ownership is traffic likely to increase or decline?
5. How important is the airport at Gaspé to business in the region? If it were to close what impacts would it have on the region?
6. Is divestiture likely to have any consequences on safety?

#### **Train Managers and Users**

1. Do you foresee any advantages to be gained as a result of privatization?
2. Do you see any problems that might be incurred as a result of deregulation?
3. Has the process of privatization been appropriate to the actual needs and conditions in Gaspé?
4. Under the new ownership is traffic likely to increase or decline?



5. How important is the train station and line to business in the region? If it were to close what impacts would it have on the region?
6. Is privatization likely to have any consequences on safety?

**Economic Development Corporation (Public Officials, Mayor, Chamber of Commerce, MRC)**

1. What advantages are to be gained as a result of divestiture and privatization of the three modes of transportation?
2. What problems may be incurred as a result of divestiture and privatization?
3. Has the process of privatization been appropriate to the actual needs and conditions in Gaspé?
4. Under the new ownership is traffic likely to increase or decline?
5. How important is the train station and line to business in the region?
6. How important is the airport at Gaspé to business in the region?
7. How important is the port in Gaspé to the region?
8. If it were to close what impacts would it have on the region?
9. Is divestiture of the port and airport and privatization of the train likely to have any consequences in safety?

## **APPENDIX D**

### **GLOSSARY OF ACRONYMS**

ACAP - Airports Capital Assistance Program  
ADA - Airline Deregulation Act  
ATB - Air Transport Board  
B.C. - British Columbia  
CAA - Canadian Airport Authority  
CPA - Canada Port Authority  
CEGEP - College D'enseignements Generale et Professionnelle  
CfBC - Chemin de fer Baie de Chaleurs  
CfC - Chemin de fer Charlevoix  
CLSC - Centre Locale de Service Communautaire  
CNR - Canadian National Railway  
CPR - Canadian Pacific Railway  
CPA - Canada Port Authority  
CPC - Canada Port Corporation  
CPR - Canadian Pacific Railway  
CTA - Canada Transportation Act  
CTC - Canadian Transport Commission  
EAS - Essential Air Services  
EI - Employment Insurance  
GLA - Greater London Area  
MRC - Municipal Regional Councils  
NAP - National Airports Policy  
NAS - National Airport System  
NPS - National Port System  
NTA - National Transportation Act  
RJ - Regional Jet  
SCEA - Shipping Conference Exemption Act  
SOE - State Owned Enterprises  
TC - Transport Canada  
QRC-Québec Railway Corporation  
UI - Unemployment Insurance  
UNESCO - United Nations Educational, Scientific and Cultural Organisation  
U.K. - United Kingdom  
U.S. - United States  
WGTA - Western Grain Transportation Act