

Railway Act

An hon. Member: The expansion to the ports.

Mr. Forrestall: You are talking about the benefits received from DREE which has an 80 per cent leakage. The CNR is bad enough, but DREE is far worse. You gave us \$100 million and within 60 days \$80 million was back in the provinces of Quebec and Ontario. Is that what you call expansion? You tell me why DREE is a failure.

We hear a lot of talk about Canadian unity and those things that constitute that unity. I wonder if the members on the other side are really aware of what is contained in this bill before us? I wonder how many of them have ever bothered to read the bill or consider any of its history?

I want to talk about the bill before us and point out some of the "great things" that have been done for Atlantic Canada by this do-nothing government, and I will do so in the context of the Canadian National so that I will be properly in order. We over here want to know what return the Canadian National is offering Canadians. It will have to be better than what the CNR has been offering in recent years.

This evening I do not want to become involved in a purely provincial or parochial debate on this matter of CN re-financing, but I must suggest that the attitude of the CN to Atlantic Canada typifies the shallowness of the argument put forward to justify this request for re-financing. Let us consider some of the facts. There is not much question about the fact that the metropolitan area of Halifax-Dartmouth is one of the most important industrial centres in Atlantic Canada. It has to be one of the key centres, and is probably one of the most influential and important. It is acknowledged that the port itself is the key to the importance of the industrial area. It plays a significant role and is the main economic element in the development of our Atlantic economy.

● (2132)

In connection with that port, our sole railway to the market of central Canada is Canadian National. In the past the CNR has played a very active and positive role toward development in Atlantic Canada. Not only did the railway live up to its responsibilities, but it was able to benefit from its monopolistic position. As a matter of fact, perhaps we would have been better off to continue the concepts and the policies under which Intercolonial operated. Then we would have had an industrial corridor stretching from the marketplace in the heartland of Ontario and Quebec all the way to Halifax. I see the hon. member for Madawaska-Victoria (Mr. Corbin) is shaking his head. He does not want our industrial processing and producing capacity to be in a position to compete in the Canadian marketplace. In fact, we cannot compete in our own economy because our marketplace is too small. We cannot compete in the central Canadian marketplace as a result of the policies of the government.

In the past the CNR has played a very important and effective role in the development of the maritime economy. However, lately there seems to have been a drastic change in its attitude toward the Halifax-Dartmouth port. It is not an

[Mr. Forrestall.]

overstatement to say that this change in attitude is causing enormous uncertainty in the minds of the traditional users of that port. I am sure the same thing could be said with respect to the port of Saint John, except for the influence of the Canadian Pacific Railway. The reason for this uncertainty is the steady and seemingly unending series of rate increases dating back to 1969. Since that year there has been an average of more than one rate increase per year. In percentage terms, it is something in the vicinity of a 115 per cent increase.

The psychological effect of this on shippers and the users of the port has been nothing short of intimidating. Indeed, business has been lost. Above and beyond that, any further rate increases may very well have a disastrous effect on the capacity of the port of Halifax-Dartmouth to continue to serve as an interface of intermodal transportation into central Canada. The point has been reached now where Halifax is only a hair's breadth away from losing its competitive advantage over the port of New York in terms of moving containers into Montreal, Toronto and points west, including the mid-west of the United States. The advantage which has been enjoyed is gone because of continued harassment of our users and customers by freight rate increases. The 20-foot container business is seriously threatened, and we are virtually out of the 40-foot container business. We still have a little toehold in the 20-foot container business, but it is in serious jeopardy.

With respect to this situation, brought about solely by our captive position to the CNR, I should like to point out to hon. members that if business is lost, it will not show up in any other Canadian port. It will be lost to the United States. It will be lost to the port of New York, the port of Boston, as well as other ports. That business will be lost to the ports of the United States and will not be rerouted to the central Canadian or river ports.

We are at the will of Canadian National. A few years ago I argued strongly against the CNR investing in cast steamships. It seemed unnatural to me for Canadian taxpayers to invest their money in shipping operations which were owned offshore. The president of the CNR, Dr. Bandeen, will indicate that it was a viable investment, that Canadian National received a good return on its money. If one examines the background of cast, one will find out that Canadian National was trying to tie up the entire container business, which would remove competition. The notion of a Crown corporation engaging in this type of practice is somewhat repugnant to me in light of the history of Canadian National and the role it has played in the development of the Atlantic economy.

The CNR has come forward requesting assistance. There is nothing in this bill to assure that the CNR will not return in 15, 20 or 25 years seeking further relief. On the other hand, the Minister of Transport (Mr. Lang) said that he accepted the position of Canadian National. I want to find out something about the quid pro quo. If the Minister of Transport is correct in believing that this bill will resolve the problems of Canadian National and will put it in a position where it can properly expand its plant, buildings and equipment, then I ask