

*Western Grain Transportation Act*

In spite of their allegations of losses, the railways seem to insist upon holding on to their own traffic over longer routes even though they allege the current rate structure loses them money. Their actions are not very supportive of their argument, however, since it is very difficult to believe that any corporate body would do something which would increase their losses.

The prime example which has been used in this debate to show how railways could co-operate and save producers money is that which Justice Hall raised in committee. Canadian National grain that is gathered in southern Saskatchewan must make the trip from Calgary to Edmonton in order to get across the mountains on CN lines. Meanwhile, Canadian Pacific grain which is gathered in northern Saskatchewan is normally transported to Edmonton and then south to Calgary in order to link with their main line across the mountains to get to the Pacific ports.

The railways have been convinced of the necessity to switch that traffic and have been doing so on an experimental basis for a number of years now by simply switching cars at Edmonton and Calgary so that CP cars would go down CN lines and an equal number of CN cars would go through the mountains on the CP main line to Vancouver as well. This has been accomplished quite easily by keeping an equitable accounting of the bushels of grain transported. At the end of the year when an accounting is done, accommodation is made to equalize things between the companies at that time.

The grain companies established a similar arrangement through the Canadian Wheat Board where only certain amounts and grades are dumped at terminal locations on the West Coast and at Thunder Bay in order to avoid the necessity of breaking up the trains and sorting each individual company's grain for disposal at the required terminal. This procedure of dumping all the grain in each train at the terminal and using an accounting method to ensure that each gets its kind and grade of grain which has been shipped over a period of weeks or months has worked out quite well.

Rapeseed has been dealt with separately for some time but I understand that an agreement has been reached whereby rapeseed is bulked together and dumped at the terminal where the train is sent. An accounting is simply kept of who owns the rapeseed.

The interchange of rail company lines is extremely important not only in the Edmonton to Calgary corridor, where that co-operation pays the railways very well, but in the Vancouver area and in the shipment of grains to Churchill.

Travacon Research Limited issued a report on Vancouver rail access. It suggested that the rail lines in that area should be treated as if they belong to one company which could do an accounting procedure very similar to what the Canadian Wheat Board does with respect to the various grain companies. In other words, the transportation services could be treated as one company while ensuring that each participant is paid for the amount of work completed. It suggests that rather than a company shipping grain up to 60 miles further in a long, extended loop, simply to stay on its own tracks, the shorter

distance provided by another company's line could be used to get the grain to port a day or two earlier. This would speed up efficiency while providing a lower cost to the companies involved, and ultimately a lower cost to the user, who in this case is the grain producer.

The use of other companies' lines has been practised at Churchill only in one season. While the CNR owns the line to Churchill, a good part of the CP gathering area exists in that Churchill corridor. Churchill usually requires one particular type of grain. Recently, this requirement has been barley, which is mostly grown in northeastern Saskatchewan and northwestern Manitoba. Half of that area is serviced by CP Rail, which has no access to Churchill without a reciprocal agreement. Therefore, the requirement of a reciprocal agreement would hasten the gathering of that grain, provide a shorter route to Churchill and make it far more efficient for both the railway company and the marketing system itself.

The railways say they are loath to do this because they like to maintain control of their cars. I suggest that is an important point to remember, particularly when one considers to whom these cars belong. The railways have not bought grain cars on their own since the early 1950s. Those boxcars are fully depreciated and they are only used in the rail system because the federal Government paid to have them refurbished so they could still be used on the low volume branch lines that are unable to facilitate hopper cars. The cars that the railways are fighting over are essentially cars that were brought by the people and farmers of Canada. Therefore, the railways' argument as to ownership and control is fairly weak.

The administration which has the overview of transportation—whether under the Wheat Board, as we prefer, or a separate transport authority, as the Government prefers—should have the power to require the railways to enter into reciprocal agreements to provide the shortest haul and reduce the costs to producers and, if this Bill becomes law, the federal treasury. We believe that it makes no sense to pay the railways for shipping on a circuitous route simply because they are being paid for the number of miles they must travel. When a shorter route exists, the Administrator should be able, as this amendment would provide, to force them to reach a reciprocal agreement to move the grain over the shortest possible haul.

● (1150)

**The Acting Speaker (Mr. Corbin):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Corbin):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Corbin):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.