

● (2100)

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A Motion to adjourn the House under Standing Order 45 deemed to have been moved.

RAILWAYS—ALFALFA PRODUCTS FREIGHT RATES. (B) REQUEST THAT MINISTER CONDUCT INVESTIGATION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, this adjournment debate concerns the question of railway freight rates for alfalfa products shipped by railway containers, specifically by Tirol Dehydrators of Tilley and Rolling Hills in southern Alberta. The reference is my question to the Minister of Transport (Mr. Axworthy) on May 29, 1984, as reported at page 4181. This is the second occasion on which I have brought the matter to the attention of the Minister of Transport.

I should like to give a brief review of the developments in this issue involving the shipment of dehydrated alfalfa cubes in containers to Japan. As a result of a favourable recommendation emerging from Bill C-155 last year, that is the Crow debate, alfalfa products were recognized as a specialty crop and became eligible for the new so-called Crow rate, effective January 1, 1984. Prior to this date all such alfalfa products paid full commercial freight rates for railway hopper cars, boxcars or containers. The Minister of Transport personally supported recognition of alfalfa as a specialty crop. Regardless of this new recognition, railways continued to charge commercial rates because the product was being moved in containers rather than in boxcars or hopper cars.

Following my first question last January, the Minister requested the CTC to instruct railways to use the authorized, lower new Crow rate for container shipments, and apparently the railways complied. However, in May the railways applied to the CTC for additional surcharges of \$400 for 40-foot containers and \$241 for 20-foot containers, retroactive to January 1, 1984. The CTC rejected these surcharges on May 23.

During June, this month, the railways persisted and informed Tirol that they intended to charge a lower \$230 surcharge for containers effective August 1, 1984, when the new crop year begins. At this stage railways were still trying to increase their freight charges, even though they were told twice not to do so by the CTC.

Also this month the railway indicated that they will go to court, probably next October, for authority to charge demurrage fees on alfalfa and all other new specialty crops included in the Western Grain Transportation Act. We should note that original Crow crops did not have demurrage charges since they were protected by Order in Council. It would seem that the new specialty crops were never added to that Order in Council list. There is also an additional "positioning charge" now being

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imposed by the railways. If the shipping customer fails to pay the positioning charge of \$253 and \$127, for the two sizes of containers, a shortage of containers develops—one pays or goes short. The only positive development in this alfalfa saga is that satisfactory minimum tonnage limits have now been resolved for both west and east container movements.

In my question of May 29 to the Minister of Transport, I made the blunt statement that "The railways are obviously playing games here". The Minister concurred with my comments. Surely it is now appropriate for the CTC to rule that alfalfa products as a new specialty crop come under the authority of the Western Grain Transportation Act, not under the Railway Act. It seems so obvious that the railways are deliberately going out of their way to circumvent not only the details of the new Crow agreement but, perhaps more importantly, the spirit of this new commodity approach that had such positive and enthusiastic support during the Crow debate last year by all on the standing committee, especially by the Minister of Transport (Mr. Axworthy).

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Tirol Dehydrators are presently in a serious quandary, resulting from an improper surcharge bill that totalled \$336,000, and have found it prudent to drastically reduce their Japanese shipments from around 11,000 tonnes to about 500 tonnes per month, and the competition in the United States is picking up the difference. Tirol Dehydrators in southern Alberta are experienced and competent, with over eight years of trading with Japan. Their management team of Alex Chrumka and Ike Schroder deserve something much better than this railway runaround.

[Translation]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): I am pleased with this opportunity to reply to the question put by the Hon. Member for Medicine Hat (Mr. Hargrave). I can inform the Hon. Member that the surcharge applied to containers in the rate schedule has not been approved by the Canadian Transport Commission. The railways are now submitting the appropriate schedule.

We must not forget that Section 51 of the Western Grain Transportation Act does allow for rates that differ from those applicable to movement of grain by box cars or hopper cars, but that any increase allowed under the section cannot be retroactive. Mr. Speaker, I shall, if I may, read Section 51 of the Western Grain Transportation Act.

51. The Commission may, by order, prescribe the amount by which a rate applicable to a movement of grain by means of railway cars other than box cars, hopper cars or shipper supplied tank cars may differ from the level provided by section 43, but in no case shall that amount exceed the level that, in the opinion of the Commission, is necessary in order to reflect the difference in costs.

It is therefore up to the Canadian Transport Commission to justify any surcharge that is, or may be, applied pursuant to Section 51 of the Act.