I am somewhat disppointed with the attention that is being paid to this debate by the media and the public in general. In my view we are debating the very future of our country. We are debating the nature of the transportation infrastructure in Canada. Our transportation infrastructure has always been absolutely crucial to both the nature and the survival of our country. I believe that all Canadians would do well to pay more attention to the debate which is taking place in the House.

I sometimes find it both amusing and disturbing that so much attention is paid to the proposed free trade agreement with the United States and the negotiations in relation to that, a hypothetical situation which is some years in the future. We are debating here and now in this Chamber an issue which could have every bit as serious an impact on the future of Canada. It is at second reading stage in the House of Commons. There is a very real possibility that this legislation will be enacted in the near future. Yet, very little attention is being paid to this while the country wastes its energy speculating about a free trade agreement.

I take this debate very seriously and will comment specifically on things which the Minister of Transport (Mr. Crosbie) said when he introduced this legislation on December 19. It was unfortunate that we heard only from the Minister on December 19 and that opposition critics did not get an opportunity to speak until after the Christmas break. That was a very underhanded way to begin such an important debate as this. The Minister said, as reported at page 2318 of *Hansard*:

● (1530)

Cost efficient transportation will create opportunities for expansion and development in industries across Canada.

At page 2320, the Minister said:

Real jobs will be created or maintained in all regions wherever better transportation service at a better price will make a resource producer, a manufacturer or other business more competitive in the market-place.

These statements simplistically suggest that there are opportunities for Canadian industry, with markets out there waiting to be served, if only transportation costs could be reduced. This is certainly not true in the case of Canada's raw resource and processed resource markets. There is over-all global over-supply in many cases and it has very little to do with transportation costs.

Of course, transportation is a cost and much Canadian production is distant from markets. However, short of giving away transportation, it is difficult to see how markets can be improved in the face of a global glut.

Implicit in the statement of the Minister is the unfounded myth that starving the transportation industry is somehow good for industry. A transportation industry that is starved for revenues, earnings and investment will not be effective for very long.

In the same speech, the Minister said, as reported at page 2319 of *Hansard*:

—our transportation system has to be efficient, effective and adequate.

If the Government persists in one-way free trade with the United States and gives U.S. railroads the opportunity to cut away at Canadian railways without giving Canada's carriers an opportunity to compete on an equal footing, the system will not be efficient, it will not be effective, and it will not be adequate for very long. It is a classic example of how the practicality of the Bill is out of sync with its objectives and principles. In that respect, I want to expand on the question of how this legislation would affect the relationship between Canadian railways and the United States railways and comment on the whole matter of mandated joint line use. It is of great concern to the railways, not only CN and CP, but to railway workers across the country and all those economically integrated with the railways.

Mandated joint line rates give two alternatives to the railway responsible for originating the traffic in any particular case. Both alternatives are a disincentive to rail investment. They either turn the long haul portion of a movement over to a competitor, or keep that long haul by quoting a rate which may not adequately compensate the carrier for the investments needed to provide the level of service the customer requires.

In either case, the lower revenues would reduce the carrier's ability to make the substantial investment necessary to maintain and renew its plant and equipment and to remain competitive. This financial squeeze would be compounded if the railway is forced to duplicate its rail line capacity by upgrading track to an alternative junction point in addition to maintaining its vital long haul line.

In the short run, rates may be reduced, but the originating carrier service would deteriorate, even in a few years, to an unsatisfactory level.

As I stated, in many cases mandated joint line rates would include one or more U.S. railroads. Since U.S. railroads operate in a lower cost business and tax environment, they can provide a comparable service at a lower cost than their Canadian counterparts. They can also be more competitive because an increasing amount of their back-shopping can be done in economic and labour environments that pay Americans much lower wages than the railway workers in Canada and Canadians generally expect.

If U.S. railroads succeed in capturing transborder traffic from Canadian carriers, Canadian shippers would become dependent on foreign carriers, operating largely beyond the jurisdiction of Canadian law. This could also mean a substantial loss of business for Canadian ports, since the network configuration of U.S. roads means they would take advantage of mandated joint line rates to route Canadian import-export traffic through U.S. port facilities. Canadian shippers could well find the routing and handling of their traffic subject to the dictates of American national interests. It is an example of another sell-out of Canadian interests by the Progressive Conservative Government.