

Western Grain Transportation Act

is not the principal aim of our amendment. The object of our proposal is to try to develop the best system, using all modes of transportation available under the most effective and efficient system so that it can increase the producers' cash flow, improve their welfare and thereby permit the spin-off benefits associated with the grain industry to permeate the total economy. For that reason we will have no difficulty in supporting this particular motion. However, I want again to draw to the attention of the mover of the motion the fact that it is somewhat restrictive and may very well be defeating a purpose which I am sure Hon. Members would want to achieve.

Mr. Dan Heap (Spadina): Mr. Speaker, I rise in support of Motion No. 35 which is an amendment that would protect the farmers who now use branch lines from having those branch lines unnecessarily abandoned. The amendment states:

—the grain producers, but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission.

This is a very useful amendment and one which, I have noticed, has received some positive arguments from some Conservatives. We have not heard this today but, as I said before, they are very flexible. For example, a couple of days ago the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) commented on the situation of the Kelfield branch and pointed out that people in the area wanted to save their branch line because it was their preference. My impression is that branch lines are the preference of most farmers on the Prairies and that they want to save their branch lines. Of course, if this is not possible, they will want assistance with long distance trucking, and no one disagrees with that.

This motion provides for both those situations precisely. It provides that long distance trucking should not be used to undermine or destroy the viability of a branch line, but also allows for the provision of a suitable substitute if the branch line, for good reasons, I would hope, is abandoned. While I have not heard this raised this afternoon, I hope the Hon. Member for Kindersley-Lloydminster and some of his colleagues will speak on that very point.

The problem with the Bill as it stands without this amendment is that we would see the railroads working on both sides of the street. They would be running the trucking company that would be competing with their own rail lines. While we have been told, and it may be, that small truckers would be involved in this transportation system, the fact is that the pattern has been for the railroads to buy up or force out the small truckers. Undoubtedly, not every last one has been forced out of business or bought out, but perhaps this will be done if the railways encourage this House and succeed in having this Bill passed without this amendment. This pattern of buying smaller trucking companies has been evident in many parts of the country. In fact, one does not have to live in Saskatchewan to know that the effect of allowing railroads to dominate the trucking industry is very damaging to branch lines and to the communities that depend on those branch lines. We have certainly seen what happens in Ontario when rail lines are abandoned and railway supported trucking com-

panies are allowed to run alleged competition with the railroad. Since companies like CP can arrange their cost figures internally, they can make rail transportation appear expensive and therefore inefficient to the point where it must be abandoned. At that time, of course, the railway trucking company will find itself with a monopoly, one which it had arranged. This is the type of eventuality we want to prevent from happening to the farmers in Saskatchewan.

It is unfortunate that the Government has not done any studies to compare the total costs of grain transportation by rail and grain transportation by truck. However, there is a comparable case in a study that was done by the State of Iowa. I submit that before such a step is taken in Saskatchewan, Manitoba and Alberta there should be a study conducted that is comparable to that done in Iowa. That study compared the total benefits to the user, to the railroad and the public with the total costs of paying both the railroad and the trucks to haul the grain. Those are the direct costs to the producer. Of course it is necessary to give primary consideration to these, but they are not the only costs to the producer. The producer may very well be paying other costs for road transportation. This is what the State of Iowa provided for in its study. The costs that a producer pays as a citizen of his municipality and a taxpayer—and as a citizen of his Province and taxpayer—are for the maintenance of the highways on which these trucks travel. It is possible to reckon those costs to get a reasonably reliable objective figure. No doubt it would be different from place to place. Canadian weather perhaps would be a little different from Iowa weather, but this would not put the costs totally out of the ballpark. The Iowa study estimated the amount of grain that was being moved by the railroads and converted that into the number of truck loads. It was estimated what it would cost in added maintenance for the highways to move goods by way of highways. That is not the cost the farmer pays to the trucking companies. That is the additional costs farmers and other citizens of that State pay to maintain the road, in effect to subsidize the trucking company. It is not just the subsidy paid perhaps to the truckers directly or perhaps to the producer to pay the trucker; that is an open and above board subsidy. The hidden subsidy is not being reckoned by the supporters of this Bill. It should be reckoned before we plunge the farmers into paying the hidden cost. The hidden cost is the cost of maintaining the highways for the extra wear and tear exacted by these large trucks. Trucking companies do not pay much of that. According to any reckonings in Ontario, Iowa and other places, what they pay for the use of the road is less than what it costs in the wearing out of the road.

• (1630)

Therefore, what will happen if this Bill goes forward without the amendment in Motion No. 35 is that the railroad will be dumping part of its cost on to the local farmer producers, on to the municipalities, which includes the farmers, and on to the provincial Governments, which also includes the farmers. It does not include for the most part the shareholders of the railroad.