

Western Grain Transportation Act

bankrupt they would shortly be bankrupt. Therefore, the Government of the day nationalized the railways, took them over and amalgamated them, and created the CNR. We essentially had two transcontinental railways, the CPR and the CNR, one privately owned and the other supposedly publicly owned.

Both railways, like most other corporations, try to operate as profitably as possible, and that means profitable for themselves, not necessarily in the best interests of ordinary people. Therefore, we have two railways, each one determined, and we can understand why, to handle as much traffic as possible and to receive as much revenue as possible.

There is a ridiculous situation in many parts of Canada, although I will speak only of how it affects the movement of grain in western Canada, where grain is being shipped on cars belonging to the CPR or the CNR for hundreds of miles unnecessarily because the CNR and the CPR do not have lines which go directly to Vancouver, where most of the grain is going.

Let me just quote from the testimony of Mr. Justice Hall, who has done a great deal of work and headed a Royal Commission in this field. On August 9 of this year, he gave testimony to the Standing Committee on Transport, and I will just quote a part of it as follows:

We heard a lot about efficiency, and the whole idea of the railways about efficiency was to get rid of the branchlines. That would have been very efficient from their standpoint. But on this question of efficiency, I am told by senior railway people, there is a railway philosophy that once the line gets hold of a commodity for transport, it will hang onto that commodity to the delivery points, come hell or high water. That works out this way and this is what we found, great quantities of grain grown on, say, the Goose Lake line . . . and now that may not mean too much to members from the east, but it is one of the great grain-producing areas in Saskatchewan between Saskatoon and Calgary served by the Canadian National Railways; it is closer to Vancouver at Rosetown than to Thunder Bay, so the trend is westward. Grain was taken to Calgary, but the CN has no line going from Calgary to Vancouver. So they hauled it then northward 200 miles to Edmonton so they can take it south again to Vancouver. That was the CN.

Then he went on to give a similar example about the CP, and I will quote again as follows:

CP with the Hardisty line, which is another line going through Edmonton . . . all that CPR grain went to Edmonton, but there is no line from Edmonton into Vancouver—so it went south to go to Vancouver. Trainloads of grain were passing each other like ships in the night between Calgary and Edmonton.

I am not being critical of the railways. As I have indicated, they are out to move as much freight on their tracks as possible, to have as much traffic as possible, to move as many cars as possible and to make as great a profit as possible. However, that is not the efficient way. That adds to the cost and reduces the net return which the farmer receives. Because that is the situation, we believe it is necessary to give the Administrator the power to direct the railways to move grain as efficiently and expeditiously as possible.

While we argue there is no need for the Grain Transportation Agency, and that the Administrator already has too much power in the sense that his power would encroach upon the authority of the Canadian Wheat Board, we believe this is a good amendment and should be supported, because no matter what public agency has control over the transportation of

grain, whether it be the Wheat Board, the Canadian Grain Commission, the Grain Transportation Agency or whatever, that person or agency should have the ability to direct the railroads to exchange cars to promote efficiency.

Mr. Justice Hall pointed out that the railways now hang on to loaded cars of grain for movement to export position even though the other line could move them to port over a more direct line, cutting the distance and costs and adding to the efficiency of the system. We say that this tends to undermine the assertions of the railroads that they lose money every time they move a carload of grain. If that were so, presumably they would lose more money for each additional mile they haul it and would do everything possible to get rid of it as soon as possible and stick their competition with the losses. We say that without the authority of the amendment, which we support, which would be vested in the hands of a public agency, we can be sure that there would be little, if any, exchange of cars of grain between the railroads for efficiency's sake.

What the Government is proposing in fact is that the railways should be paid for the grain they move on a cost-plus basis; in other words, the more their costs, the greater their profits. The longer they hang on to the grain, the more miles they move it, the greater the cost, and therefore their profits.

The Administrator on the Wheat Board—and in this case the Hon. Member proposes that there be an Administrator—must have the power to direct the railway to move the grain as quickly and as expeditiously as possible. There has been a great deal of evidence over many years that the railways have not done that and that they will not do it voluntarily. That is why we support the amendment.

● (1140)

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to support Motion No. 33 which is in the name of the Hon. Member for Vegreville (Mr. Mazankowski). The effect of this motion is simply to change Clause 17(1)(d) so that it would then read: "The Administrator may "promote and shall require if necessary"—the words "shall require if necessary" are vital parts of this amendment—"reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers". We support this amendment because we see the Administrator as being part of the Canadian Wheat Board, as was proposed in our Motion No. 32 which is yet to be voted on.

We believe that this authority is necessary for several reasons. Let me outline two or three cases in which we think this power could be used to increase the efficiency of the grain transportation system. Basically, the problem lies in the railways' insistence upon maintaining control of carloads of their own grain traffic over their own lines regardless of whether it is the shortest route to the port. In fact, as the Hon. Member for Winnipeg North (Mr. Orlikow) just stated, since the rates are distance related, the further that grain is transported the more money the railways can make because this Bill provides for their being paid on a cost-plus basis.