

*Adjournment Debate*

The least that can be done is that a full CTC hearing be held, including a comparative analysis of the inequities which may be built in and arising out of freight rates or deliberate government policy on the one hand by the CTC and on the other hand by a commission set up by government. The minister has this authority, and he has a moral obligation to direct CN to give the type of assurance that we do not have at this time, that in fact the move by Dart is not caused directly by the rate structure or by undue delay in moving containers from the port of Halifax to the port of Montreal.

● (2205)

Is the fact that it takes seven, eight, nine, or ten days to move a container at the root of the difficulty? The minister can direct Canadian National to lower its rates by one-third. Indeed, some have suggested it can lower them by 50 per cent of the current rate charged for containers and still realize a profit. Mr. Neeling is one authority for that. There are many others. Second, it should guarantee five day or even three-day delivery on containers from Halifax to Montreal. Third, it should divest itself of its interests in Cast.

Three or four years ago I appeared as an affected person, and as a Member of Parliament, the first to do so in the history of that august regulatory agency, arguing that CN should not invest in Cast. Of course, I was laughed at. We now see the serious consequences that could flow from that conflict of interest.

Fourth, it should direct CNR to offer to the government of the province of Nova Scotia or another party its shares in Halterm to remove any doubt or suspicion of a conflict of interest by the national railway. The federal government can offer to repay the province of Nova Scotia its investment in the second container pier and its investment in Halterm. It should order or assist in an inquiry into this and ascertain from the railway, CP and Dart, that the reason for moving is that it is no longer economical to operate there. It should determine the answer to that question once and for all.

I see my time has just about run out. I ask the parliamentary secretary to convey to the minister and his colleagues in cabinet the importance of moving at the earliest possible opportunity on the oceans industries park. That might help fill the economic gap. I would appreciate whatever comments the parliamentary secretary can make on this very serious matter.

**Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I thank the hon. member for this opportunity to bring the House fully up to date on this matter. The minister met yesterday with Dr. Bandeen, and today with Premier Buchanan, Mr. Thornhill, his minister of development, and the mayors of Halifax and Dartmouth.

First of all, it should be made clear that CN was not a party to the discussions between Dart and Canadian Pacific which led to the move by Dart. The discussions were on a private commercial basis, and since CN was not aware of their content, Dr. Bandeen could not have informed the minister before the public announcement was made.

During yesterday's meeting, Dr. Bandeen assured the minister of CN's continued commitment to the port of Halifax. As the House knows, CN helped pioneer container traffic in Halifax over a decade ago, and remains a partner in the Halterm container facility. In fact, CN intends to do some aggressive marketing to ensure a satisfactory level of business at the terminal, and to replace its lost rail traffic. Ceres, the operator of the new container terminal at Fairview Cove, remains optimistic for the future of the port.

With regard to rail freight rates, Dart has stated that these were not a factor in the decision to move from Halifax. Certainly there have been substantial increases in the last decade, about 172 per cent in the rate from Halifax to Montreal. But compared with an increase in the rate from Montreal to Toronto of about 200 per cent, and an increase in the consumer price index of 216 per cent over the same period, the increases do not seem excessive. Dr. Bandeen told the minister that he is prepared to go to Halifax and discuss CN's plans for the port with Premier Buchanan.

● (2210)

The benefit Montreal receives from ice-breaking services has also been raised. It is difficult to allocate ice-breaking costs because of other purposes, such as flood control which ice-breaking serves. But even if the estimated cost of \$17 million is allocated solely to commercial tonnage in the four winter months at Montreal, the cost per ton is only \$1.60. Nonetheless, the minister has indicated he is prepared to look at the issue of cost recovery for ice-breaking services.

In spite of Dart's decision, which was based on purely commercial considerations, the government and Canadian National remain fully committed to the port of Halifax and are convinced it has a major role to play in the Canadian ports system. I wish to tell the hon. member that I will bring his recommendations to the minister for consideration and possible implementation.

THE ENVIRONMENT—GARRISON DIVERSION PROJECT—  
SUGGESTED TOPIC FOR DISCUSSION BETWEEN PRIME MINISTER  
AND U.S. PRESIDENT REAGAN

**Mr. Charles Mayer (Portage-Marquette):** Mr. Speaker, I rise this evening to speak further on a question I had the opportunity to place before the Prime Minister (Mr. Trudeau) last Thursday concerning the Garrison diversion project in North Dakota.

The effects of that project are well known, not only in Manitoba but here in the chamber and I do not wish to proceed into some of the problems and concerns we have in Manitoba about that project. It is a very large irrigational and recreational scheme designed to provide irrigational and recreational water in North Dakota.

In the process, there is a distinct possibility, if the project is completed, that the diversion will transfer water from the Missouri basin to the Hudson Bay basin. That water then will flow into the Souris River, the Assiniboine River and, there-