

Proceedings on Adjournment Motion

Kootenay and Elk Railway with the Burlington Northern line which would be used to haul coal via the United States to Roberts Bank. On May 2 the leader of the New Democratic Party asked the Minister of Transport (Mr. Jamieson) whether he was considering amendments to the Railway Act which would give the Railway Transport Commission authority to take the public interest into account when dealing with applications which came before it. The minister replied that he had not had time in which to read the judgment, but indicated he wanted the maximum amount of Canadian products to be moved over Canadian rails and would be glad to consider any legislation or any other changes which might achieve such an objective.

On May 3 I sought to move the adjournment of the House under Standing Order 26 to discuss the carriage of coal by rail from the East Kootenays to Roberts Bank, B.C., by the United States route. This motion was not allowed. Again, on May 4 my hon. friend from Kootenay West (Mr. Harding) asked several questions and attempted to quote what Mr. Justice Hall had said in the Supreme Court judgment. However, Mr. Speaker suggested an attempt was being made to deliver a speech. Somehow, every time questions come up concerning railroads or railroad jobs, people do not appear to be much concerned. However, in this case thousands of jobs could be involved. When we consider what the ruling of the Supreme Court could mean, it should be clear why there is real concern. One of the Canadian Transport Commissioners, Mr. Griffin, had this to say in the board's decision on this application:

• (2220)

In my view, the committee has a discretion and can refuse to make an order, though the matter of safety be satisfied, if by reason of the public interest, or for any other adequate reason, it appears just and proper to do so.

He went on to grant application No. 1. After the decision of the Canadian Transport Commission, the Kootenay and Elk Railway Company and Burlington Northern Incorporated appealed the decision to the Supreme Court of Canada, resulting in a five to four decision which declared that the Canadian Transport Commission had erred in their judgment. It should be realized that Crows Nest Industries Limited is a shareholder of Kaiser Steel Corporation, the parent of Kaiser. One of the incorporators of the Kootenay and Elk Railway was chairman of the board of Crows Nest Industries Limited and a director on the board of Kaiser Steel Corporation. Kootenay was incorporated as, and remains, a wholly-owned subsidiary of Crows Nest Industries Limited.

I should like to quote what Mr. Justice Hall had to say in the Supreme Court of Canada decision:

I do not find any provision or undertaking that if the applications now being sought are granted, that Burlington will necessarily continue to use the Roberts Bank facility.

I might point out that the Canadian government has put millions of dollars into this facility.

I see nothing in the record to prevent Burlington from using or creating another port in the state of Washington for the loading of this Canadian product destined for Japan. As a matter of fact, in the evidence of R. W. Downing, executive vice-president of Burlington, it is said that "the first discussions were directed toward

[Mr. Skoberg.]

moving the coal through a United States port", but later it was decided to use Roberts Bank as the only port with facilities to handle unit trains.

Further on, Mr. Justice Hall had this to say:

The whole scheme would appear to me to be the classic case of a foreign conglomerate in concert with related Canadian companies so manipulating the enterprise that the export of Canadian jobs would be the result. That surely was a proper matter for the commission to consider and weigh. There is nothing in the record to indicate that CPR is unable for lack of equipment or personnel to carry all the coal going from the Sparwood area to Roberts Bank to fulfil present or future Japanese contracts and it is significant to observe that Burlington proposes to charge the same rate as CPR.

The first words of the Minister of Finance (Mr. Turner) when he came into office last February was that his most urgent priority was jobs, and in his budget speech last night he said this remains his first priority. It appears to me that the members of the House are not aware of the situation here. If Kootenay and Elk are granted a common carrier licence there is every indication that not only will coal be hauled along the lines of Burlington Northern to Eureka in Montana and then west either to Roberts Bank or to Seattle, they will also haul lumber from British Columbia down to Eureka and then to markets east. This lumber may have come from the Kootenays and would have gone east to Calgary, Moose Jaw, Winnipeg and then south to the Chicago market. Resources from that area could well be hauled by this common carrier down through Montana on the Burlington Northern and then dispatched in either direction.

If the government is to be consistent with respect to what the Minister of Finance said last night, it is absolutely necessary to introduce amendments, as proposed, to the Railway Act which will take into consideration the interest of the public and other considerations. Time is slipping past. The government should be concerned about this matter. I hope it will take the initiative of introducing amendments to the Railway Act, that the House will pass them and the Canadian Transport Commission will rule on the application of Kootenay and Elk and Burlington and Northern Incorporated, thus saving thousands of jobs in Canada.

Mr. Ian Watson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the link between the question asked by the hon. member for Moose Jaw (Mr. Skoberg) and the responsibility of the Minister of National Revenue (Mr. Gray) is tenuous but I will attempt on behalf of the minister to respond to the hon. member's question.

As the hon. member realizes, the legal implications of the matter to which he alludes are extremely complicated. Despite the protracted legal exercise that has already occurred, it is far from clear what, if any, additional steps the various parties will take. The hon. member for Okanagan Boundary (Mr. Howard) has already spoken to me, to my minister and to the Minister of Transport (Mr. Jamieson) regarding the very serious issues and implications involved in this controversy, and the hon. member has not ceased to make the government aware of his concern and deep interest in the resolution of this matter.

At stake in the issue raised before the Canadian Transport Commission and subsequently before the Supreme