

TRANSPORT—RAILWAY FREIGHT RATES—PROVISION OF  
INFORMATION TO WESTERN PREMIERS

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, my question was put to the Minister of Transport (Mr. Marchand) on March 1, 1974. It had to do with the failure of the minister to honour the commitment he made to the western premiers in July, 1973, almost nine months ago, with regard to their complaints about inequities those provinces suffer at the hands of the railways. The Minister of Transport promised that the four western provinces would be supplied with information on the cost of shipping freight so they could prove their case that they were being discriminated against. That promise has not yet been kept despite the months which have gone by. The Prime Minister (Mr. Trudeau) and the minister promised they would force the railways to supply the provinces with the information they require.

What are the provinces complaining about? Let me give a few illustrations of the kind of discrimination they face. They feel that industrial development in the west has been inhibited by a freight rate structure which fails to recognize the federal government's expressed policy of regional economic structure. They say that the rate structure encourages the export of raw materials from western Canada and the import of manufactured goods to the detriment of western industrial development. They give illustrations. They point out that the statutory grain rates encourage producers to ship their grain from western Canada to the east where the grain is processed and then shipped back to the west. Because of the special rates for shipping raw materials, in this case grain, flour mills have been built and are operating in eastern Canada although the grain is grown in western Canada.

An example of the kind of discrimination they see every day is found in shipments from Winnipeg to Lynn Lake and Thompson, Manitoba. The distances are about the same, yet the cost of shipping petroleum to Lynn Lake is 30 per cent more than to Thompson. Why? Because there is no road into Lynn Lake and, therefore, no competition. The cost of shipping steel from Calgary to Hamilton is more than the cost of shipping steel from Hamilton to Vancouver. I presume that is because it is at least theoretically possible to ship the steel by boat through the Panama Canal. This is the kind of thing that has been going on for almost 100 years.

The premiers met in July, 1973. They made their case at the western economic opportunities conference. They were promised by the Prime Minister and the Minister of Transport that they would see the railways supplied the necessary information to the four western provinces. On December 15, 1973, the *Globe and Mail* reported the Minister of Transport as saying the railways had until December 21 to comply with his request that they supply the western provinces with the necessary information. The minister said that if they would not comply, he would bring in legislation to force that disclosure.

The four western premiers met again about two weeks ago, February 28, 1974. They issued a statement in which they said:

Despite the public commitment by the Prime Minister that railway costs would be disclosed to the provinces, some seven months have passed without any substantive response by the Canadian Transport

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Commission (CTC) to the specific requests made by the federal Minister of Transport and the four western provinces . . .

The reply of the CTC to the federal government's request for evaluation of 22 specific freight rate anomalies affecting the west has been recognized by transport ministers as incomplete and not responsive to the basic economic questions raised by the federal Minister of Transport.

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They point out that the delay in achieving a reasonable solution to the rapeseed freight rate case, which has been before the CTC for nearly four years, is intolerable. The Minister of Transport received tremendous coverage a few weeks ago when he regretted the absence of a government transport policy. It is not surprising that the minister, who is supposedly responsible, could not get the railways to disclose the information the Prime Minister promised to the premiers. I suggest he should not delay bringing forward legislation which would require the railways to bring forth the information promised to the western premiers, and I urge the parliamentary secretary to take that message to the Minister of Transport.

**Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I do not accept the statement made by the hon. member for Winnipeg North (Mr. Orlikow): The Minister of Transport (Mr. Marchand) has been quite frank with the House in outlining the difficulties facing the department. I think he is doing a tremendous job and that he enjoys the confidence not only of this House but of the people of Canada.

First, may I say we are referring here to railway costs, not to railway rates. Railway rates are freely available at all times from the railways or from the CTC.

**Mr. Orlikow:** I am talking about costs.

**Mr. Guay (St. Boniface):** I am talking about costs, too. If the hon. member did not hear me, I will repeat what I said. We are referring here to costs, not to rates. Railway rates are available at any time. Railway costs for specific movements, on the other hand, were always treated as confidential until the western economic opportunities conference and are protected by the Railway Act. At the western economic opportunities conference, the Prime Minister (Mr. Trudeau) promised that the federal government would arrange for a confidential government-to-government exchange of railway costs. The provinces submitted to the minister early in October a test case consisting of six specific movements in respect of which they wished to ascertain costs. In reply, the CTC advised that such direct disclosure appeared not to be feasible because of legal requirements, and proposed in its place a cost committee the success of whose efforts would rest on voluntary disclosure by the companies.

On December 12, the minister wired the railway chairman asking them to state formally their positions on cost disclosure. Canadian National suggested that guidelines should be established with respect to the method, form and control of cost disclosure, such guidelines to be formulated by the CTC. The CTC established a special panel on cost disclosure, chaired by Mr. Benson. This panel set up a technical committee of CTC, ministry of transport, provincial and railway representatives. The panel and technical committee are to review requests for cost data