

Western Grain Transportation Act

Since we do not support the concept of a contribution to constant costs and we are calling for a three-year freeze or three-year deferral of any contribution to constant costs until such time as the CTC and the Government completes its study, we find it inappropriate to impose a sanction assessed upon a contribution which we do not believe to be satisfactory. We chose the 20 per cent of volume-related variable costs. That would be the total out-of-pocket costs or volume-related costs which would include the total cost of the movement of grain, including labour, fuel, depreciation on return and capital investment, all of those with the exception of a contribution to profit or constant costs.

We say that the sanction should be equal to 20 per cent of the volume-related variable costs. This would have the effect of providing some teeth. We believe that inasmuch as this Bill constitutes a sweetheart deal for the railways, the guarantees with respect to service, investment and performance objectives leaves much to be desired. In its amendment the Government reduced our 20 per cent. We moved this amendment in committee and chose the 20 per cent figure. The Government moved a subamendment reducing it to 10 per cent. This amendment seeks to restore the sanction to a level of 20 per cent of variable costs. We believe 10 per cent is far too low. It would mean a possible sanction of \$65 million in 1983-84, \$71 million for 1984-85 and \$75 million for 1985-86. Given the level of payments that the farmers and the taxpayers of Canada are going to be paying, we think that is a very conservative sanction. We commend it to the House and ask that it be supported.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to speak on Motions Nos. 41 to 46 now before the House. I will describe and comment on some of them as I go along. The motions make amendments to Clause 21 of the Bill which outlines the performance objectives, regulations and the sanctions that could be placed on participants in the grain handling and grain transportation system. The last part sets out a method of settling any disputes concerning those awards of sanctions.

What seems to be at issue in the debate on these motions, and most of them are beamed at pretty much the same thing, is the Administrator. We will not know it until after the vote whether that will be a separate agency or part of the Canadian Wheat Board, but because the Government supports the separate agency concept we assume that will probably result when the vote is completed. The next general area which these motions deal with is what participants should have additional sanctions imposed upon them and, lastly, what the limits of those sanctions should be in financial terms.

The Conservative Transport critic, the Hon. Member for Vegreville (Mr. Mazankowski), talked about the sanctions in this Bill being something that should be so generalized that they apply to all participants in the system. That sounds fine from a general theory point of view. Unfortunately, it ignores the sanctions and the system that have been in place for many years.

There is a built-in system of awards and sanctions which applies to most of the system participants at the moment. They exist under the powers of the Canada Grain Act and the Canadian Wheat Board Act. The one shortfall and a very important aspect of the whole grain handling and transportation system is that there is not a place where sanctions can be imposed or an order forced on the railways.

I would like to recall some of my time with the Canadian Wheat Board Advisory Committee. I recall going to the fall meeting in 1977-78, one of the worst shipping years for farmers in recent times. We had a pretty good marketing program. The Board had plenty of sales contracts set up and ready to fulfil. The procedure followed in such a case is that once the sales commitments have been made, they approach the railways to see how many cars they will commit to the grain fleet, how many will be used in the next few months to haul grain. The railways give that commitment. The board uses that grain fleet, placing it at country elevator points to move the required grades and kinds of grain to water shipping.

That crop year started August 1. By the time we got to December 1, one railway company was almost 3,000 cars behind its commitment. It is rather silly to keep that many cars on the books as a negative balance, so it started over with new commitments. Within three or four months, that same railway company was between 3,000 and 4,000 cars behind its commitment. There was no way that that railway company could be forced to comply with its promise to supply cars for the shipment of grain. Therefore, the grain was not shipped.

Some Members of the House will recall that some farmers attempted to sue the Canadian Pacific Railway, the railway involved, for not supplying service. They were ruled out of order by the court because the court deemed that, though they had grown the grain, had delivered it to the elevators and had lost the markets as a result of the railway's actions, they were not deemed to have been shippers and could therefore not prosecute. I think that is probably what precipitated the actions that followed. Provincial Governments and the Wheat Board on behalf of farmers bought hopper cars and distributed them to the railways in order that there would be no excuse for not supplying rolling stock to producers.

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Even with the user supplying the rolling stock, who in this case is the farmer assisted by the provincial Government, there is still no real clout anywhere in any Act to force the railway to put the three-man crew that is needed to move 110 cars on a railway locomotive in front of those cars. This Bill is the only Bill that has come before the House since that time that attempts to address the problem of how to apply sanctions to that very important system participant through legislation.

Elevator companies, farmers and terminal operators are now all subject to sanctions and penalties from the Canadian Wheat Board and the Canada Grain Commission. Those sanctions are already in place and I cannot understand why the former Minister, the Hon. Member for Vegreville (Mr. Mazankowski), would say that we need to have those sanctions