western Canada. In 1990 coal will take up 60.5 per cent of the available space on railroads in western Canada. In 1982 potash took up 7.5 per cent of available space and by 1990 it will take up 7.9 per cent of that space. The percentages for lumber and petrochemicals will increase. But grain, which took up 32.5 per cent of available traffic space on railroads in western Canada in 1982, will decline by 1990 to 23.7 per cent. That is the only commodity which will decline between now and 1990 in movement in western Canada over the rails. Yet the Government said that it had to charge producers of grain more to move their product because they would use the rails and displace all other available traffic. However, we find that by 1990 grain will use the rails less than any other available product.

The Minister said that there would be huge investments in western Canada. Now the Minister of Transport (Mr. Axworthy) is saying that $1.1 billion will be invested this year in railroads in Canada. That is true, when we take into consideration all of Canada, but the figures of the railroads for capital investment in 1984 indicate that CNR will invest, in western rail related investment, $281 million and that CPR will invest $345 million, for a total of $646 million.

However, what are these railroads getting from the Government of Canada this year? They will be getting $652 million from the people of Canada. This is the great investment which was to come about in the western transportation system with the passage of Bill C-155! The railroads are not even investing in western Canada the total amount the people of Canada are giving them. These are exact figures for the two major railway companies in Canada.

Also we find that the original proposed investment of $16.5 billion has now been cut to $12.5 billion. The Department and the Minister say that that is because things have changed. If they have changed that drastically; if the proposed investment has been reduced by 25 per cent from the supposed commitment of the railroads to the people of western Canada, perhaps the tariff proposed in Bill C-155 should also be reduced by 25 per cent. In terms of the investments which will take place, the drop of some $4 billion in those investments, roughly $2 billion is due to changes in plans by CN, $1 billion is due to changes in plans by CP and $1 billion is due to inflation.

• (1825)

Canadian National Railways, which is committed to double-tracking in the next five years, has said that it will not do it in five years, but will push it to seven years. Maybe in two years' time it will be pushed along another seven years. It will be deferred. It is like the deferred maintenance that used to be done on the tracks in western Canada. They got paid for deferred maintenance but never did the maintenance. It was never done.

This year Canadian Pacific will only invest $95 million more than it invested in 1983. In 1983 it spent $355 million on rail capital programs and in 1984 it estimates it will be spending $450 million. When we look at the share the farmers will have to pay, and the cap put on in Bill C-155, we see that the producers will pay 5 per cent more because of additional volume. The Government will benefit. It will pay 7 per cent less because of the blended rate. We are very concerned about that because we remember the promises in the 1980 election about a blended gasoline price. Now it is higher than the world rate. That is what we will have in western Canada with this blended freight rate in Bill C-155.

I look forward to hearing an explanation from the Parliamentary Secretary as to the rationale for the lack of investment and the need to charge producers of food and grain more so that railway companies can invest less in western Canada.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in the question put by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) to the Minister of Finance on April 16 of this year, the Hon. Member asked why the Minister of Transport rationalised that investment by the railroads would be down some $4 billion from what was in Bill C-155, because substantial financial support of $1 billion was being made available by the Government to the grain producing industry.

There is still a certain amount of confusion with respect to these two amounts. First of all, the $4 billion represents a reduction in the expenditures forecast by both Railways for the period 1982 to 1991. At the beginning of 1982, on the basis of the economic situation and traffic predictions, it was estimated that railway expenditures during the decade in question might go as high as $16.5 billion. Since that time, however, inflation rates have dropped substantially, and predictions with respect to growth in railway traffic have become less optimistic. Forecasts by the Advisory Council on Western Transportation for shipments of grain, coal, sulphur and potash to this part of Canada, for the period from 1981 to 1990, dropped by about 13 per cent between October 1981 and August 1983. As a result, predictions have been revised to allow for the present economic situation, which also means that new coal cars will be introduced at a slower rate.

Furthermore, regarding the amount of $1 billion mentioned by the Hon. Member, I would point out that this represents the Government's total expected annual expenditures for grain transportation. The Western Grain Transportation Act does not in any way oblige the government or the railways to make specific investments. It does require the railways to invest sufficient funds to make the system viable and efficient and adapt it to changing needs with respect to the movement of grain. However, it obliges the Government to pay the Crow subsidy after 1986, that is, $658.6 million per year, plus part of the annual increase in the costs of the railway companies, this to help pay the expenses incurred by producers as a result of the grain transportation rate.