

Oral Questions

profitable activities of CN such as CN Express, Terra Transport, et cetera. On the subject of the future of the relationship between CN and Cast, it is being discussed now, and I am not in a position to report on the conclusion of these negotiations.

REPORTED PROPOSAL TO ACQUIRE SOFATI CONTAINER LINE

Mr. Howard Crosby (Halifax West): Madam Speaker, the Minister mentions ongoing negotiations between Canadian National and Cast. There are published reports that CN Rail proposes to acquire Sofati Container Line which utilizes the Port of Montreal. This of course means that Montreal will have an unfair advantage over ports like the Port of Halifax. Can the Minister give some assurance that CN will not be allowed to take any steps to acquire Sofati Container Line or any assets of Cast until the Canadian Transport Commission has investigated the relationship between Cast and CN and made the appropriate rulings? Can the Minister stop CN from further investment in this disastrous transaction?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I cannot accept the foundations of the question. Very few people will accept the proposition that what is happening in the Port of Montreal has a direct effect on the Port of Halifax. As a matter of fact, there is a debate on this subject, and many people say that the future belongs to multi-modal facilities in the field of transportation. CN cannot ignore that. I see that the United States has a similar movement—taking place now.

Another factor to take into consideration is what CP does in the Montreal area. CN can hardly stay idle while CP establishes a position that would give it a tremendous advantage over CN.

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[Translation]

AGRICULTURE

REQUEST FOR REINSTATEMENT OF SECTION 16 OF
UNEMPLOYMENT INSURANCE REGULATION

Mr. Marcel Ostiguy (Saint-Hyacinthe-Bagot): Madam Speaker, my question is directed to the Minister of Agriculture and it has to do with section 16 of the Regulations which has recently been cancelled by the Unemployment Insurance Commission. Would the Minister use his influence with his colleague the Minister of Employment and Immigration and ask him to restore Section 16 because this is prejudicial to agricultural workers and Canadian farmers and more specifically to apple growers?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I have had discussions with my colleague.

RAILWAYS

CROWNEST PASS RATE—PROPOSAL TO ESTABLISH GRAIN
VOLUME LIMIT

Mr. Arnold Malone (Crowfoot): Madam Speaker, I have a question for the Minister of Transport. Bearing in mind the comments he made in Winnipeg with respect to his proposals for a change in the Crow rate, how does he justify putting a cap of 31 million metric tonnes of grain on which farmers would receive some transportation assistance as opposed to paying the total cost thereafter, also bearing in mind that we are almost at that level of production now? Why would he apply a dissensive to grain production when four-fifths of the world are suffering from malnutrition and there is a tremendous need for cereal protein to be disbursed around the world?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the idea of establishing a volume limit is not mine. It is the result of discussions held by Gilson and the shippers some months ago. The idea came from those meetings. It is postulated on the basis of economies of scale. If you reach the production of a given volume of a certain commodity, it is generally felt that additions to that volume will cost less. In the statement I made at the time of the announcement of the government western rail initiative, I indicated that, for example, for a spending of \$40 million more for transportation of grain, western farmers would be in a position to gain \$400 million in revenues. That is the justification for the volume limit. There would still be an incentive for the western farmer to produce more.

Mr. Malone: Madam Speaker, it does not matter who thought of the idea; the idea is wrong because economies of scale cannot be applied just to the Prairies as a whole. They must be considered with respect to each farm family's economic unit.

EFFECT OF INCREASED TRANSPORTATION COST

Mr. Arnold Malone (Crowfoot): Madam Speaker, with respect to the Minister's position on an open-ended cost, why will he not tie any increase in cost to the farmer's ability to pay—in other words, some percentage of the bushel or tonne value of the grain? How can he justify his position when, according to his own projection, half the cost of grain will go to pay for transportation by the year 2000? While he is on his feet will he tell us when he is going to table—

Madam Speaker: Order.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, first of all I do not agree with the statement made by my hon. friend. What is valid on a collective basis is also valid on an individual basis with respect to the savings from volume.

On the subject of the relationship between the cost of transportation of grain and the international price of grain, the idea is again in the Gilson Report, and Gilson says it is one worth studying and suggests that it should be the object of the