

Transportation of Grain

The announcement made on February 8, 1982, in Winnipeg by the Minister of Transport (Mr. Pepin) outlined a number of areas which this committee is charged with examining, including the future responsibility for paying grain transportation costs, the manner in which the government will spend its own contribution either to the railways or to the producers, the kinds of performance guarantees that should be sought from the railways and how they should be monitored, and the means whereby the economic distortions within the agricultural sector stemming from the statutory rates can be reduced.

The consultations are reaching a critical stage and I know that all members of the House will wish those involved well as they move toward achieving a just solution.

By implication the motion also referred to the branch line rehabilitation program insofar as the wording of the motion asks the government to "make the railways fix up their tracks". One of the most significant grain transportation programs is the branch line rehabilitation program. This ten-year program began in 1977-78 with a \$30 million expenditure followed by allocations of \$70 million per year until 1981. One of the concerns expressed at the time was that the work program only covered one year at a time and that this made it difficult to do sufficient planning.

Last year a multi-year work program was developed by departmental officials in consultation with the elevator companies and the railways. This should greatly facilitate advance ordering and preparation by the railways of ballast, ties, rail and other materials.

Last August the Minister of Transport announced that the government was prepared to enter into a three-year program of branch line rehabilitation work. Under this program the government has spent or will spend \$77 million in 1981-82, \$84.7 million in 1982-83 and \$93.2 million in 1983-84.

The standard and quality of the rehabilitation work undertaken by the railways is being monitored in a number of ways. Under the direction of the Canadian Transport Commission, independent engineering consultants were engaged to review and inspect the work completed to 1980. The 1981 work program was also inspected and assessed under the guidance of the Canadian Transport Commission using both in-house and contracted engineering sources. The Department of Transport recently received a report it had commissioned from the Canadian Institute of Guided Ground Transport of Queen's University. This study provides an assessment of operating and construction standards for the rehabilitation program. It found that the operating and construction specifications are for the most part appropriate for the lines involved but should be applied flexibly to account for local variations. This is in line with the findings of the CTC-engaged consultants and confirms that the work is being carried out to appropriate standards for the moneys involved.

In addition, a firm of auditors was engaged to carry out a comprehensive audit of the expenditures incurred under the first three agreements. This is now in the final completion stages.

When the present agreement terminates at the end of 1983-84, some 3,780 miles of line will have been worked on, of which 1,840 miles should be fully rehabilitated out of a total of 5,675 miles currently eligible under this program.

The motion also asks the government to buy hopper cars, and the hon. member who spoke ahead of me also referred to hopper cars. The government certainly supports this idea. During the seventies the Government of Canada purchased 8,000 hopper cars and it has a long-term lease on an additional 2,000 cars. These investments reflect the government's ongoing commitment to ensure that sufficient rolling stock is available to meet our growing export demands.

With the addition of 2,000 Canadian Wheat Board cars and 1,000 cars each provided by Alberta and Saskatchewan, there was an adequate supply of cars to meet requirements. However, with the growing volume of exports, and with normal wear and tear and aging, additional hopper cars will be required in the future. The office of the grain transportation co-ordinator assessed the need for additional hopper cars, and advised that an additional 1,280 cars should be purchased this year. These orders will be useful to the western grain producer, but will also give a needed boost to the car manufacturing industry in eastern Canada. It is expected that this order will create 2,250 jobs.

• (1630)

Another issue addressed during the past two years was that of abandoned railway rights of way. In 1977 the then Minister of Transport and the railways entered into a gifting agreement which transferred to the Crown the rights of way following the abandonment to that time of certain prairie branch lines. There are about 26,500 acres of land covered by the gifting agreement. In August, 1981, the Minister of Transport signed agreements with the provinces of Alberta and Manitoba transferring land to those provinces. Prior to the recent election in Saskatchewan an agreement appeared near, and one must hope that such an agreement could be signed with the new provincial government in the near future.

There was reference, Mr. Speaker, to the ports of Churchill and Prince Rupert in the motion before us. The motion calls for increased use of these ports. The government's commitment to the Port of Churchill has been well demonstrated. Capital expenditure commitments of \$20 million made for port development at the Western Economic Opportunities Conference in 1973 have been fulfilled through two Crown corporations, the National Harbours Board and the Northern Transportation Company Limited. Grain branch line subsidies paid on the Churchill line between 1971 and 1980 amounted to \$11.75 million. By the end of this railway construction season, approximately \$21 million will have been spent on the CNR-Herchmer subdivision with a further \$10 million committed to 1983 under the branch line rehabilitation program. CN is now determining the feasibility and costs of building the rail line to carry fully laden hopper cars, following completion of research into the particular problem of supporting a railway over discontinuous permafrost.