

*Railway Act*

place as a result of this mechanism we will be able to deal with the very complicated issue of freight rate structures in a more knowledgeable and open way. The minister, in committee, indicated that this is merely a first step toward a much broader freight rate and transportation disclosure. He indicated, further, that it will be followed by a more comprehensive measure entitled the Information Act which will make it mandatory for all modes of transportation to provide any information the government may require. I think that in all fairness we will have to look at this matter quite carefully and seriously because the act will certainly have much broader implications and will require a great deal of study and consideration.

I note that the president of CNR, in a recent statement quoted in the *Globe and Mail* of Saturday, March 15, sounded a warning with respect to the requirement of cost disclosure. It would appear that he is somewhat apprehensive about the impact and the implications of disclosures of this type. I do not know just what is bothersome to the president of CNR, but I want to say to him through you, Mr. Speaker, that if the CNR or any railway company has nothing to hide, and if its freight rate structures are fair and based upon cost plus a reasonable return, then it should really have nothing to hide. I also say to him that there need not be any reason to be apprehensive. I think he is concerned about the fact that some of his predecessors, and indeed some people involved in the railway transportation network, have said they do not necessarily base their freight rates on costs but on the basis of what the traffic will bear. If that is the case, the public has the right to know.

I believe the main thrust and the main principle enshrined in the National Transportation Act is competition, and we all know that in areas of Canada where there are strong competitive forces—that is, in trucking, railroads and movement by water—those areas are generally subjected to fair and reasonable freight rates. However, in areas where we do not have that competition—and that is basically the problem existing in western Canada and, I would suspect, in the Atlantic provinces where we do not have that competitive force to keep all modes in line—we find that freight rates are established basically upon what the traffic will bear; that was admitted in committee and indeed publicly. As I have said, freight rates, whether with regard to railways, trucks or ships, must not only be fair but they must be seen to be fair, and therefore they should stand up to public disclosure and public scrutiny.

The minister has indicated that this is the first step toward a much broader Information Act which will be brought forth later. I wonder what the minister proposes to do in respect of trucking. I notice that he indicated the new act would cover all modes of transportation and that it would be broader in terms of information not only with regard to the application and establishment of freight rates but, indeed, other areas as well. I am not sure what authority the federal government will have to deal with the trucking industry, for example, because extra-provincial trucking is not covered by the National Transportation Act; part III of the act has never been implemented. Therefore, when we look at the whole question of the approach to an integrated transportation policy we must not overlook the importance of the trucking industry

which plays a major role in the movement of freight in this country.

● (1230)

In an address to the annual convention of the Canadian Trucking Association on November 26, 1974, the Hon. E. J. Benson, president of the CTC, speaking of the year 1972 said that the railways and the off-highway, intercity trucking industry transported, between them, 238 million tons of traffic and of that tonnage 45 per cent was carried by the trucking industry. Almost half of all the freight that moves from city to city in this country is moved by truck. That is a very large amount of traffic when you consider that most of our bulk commodities such as potash, grain, coal, etc., move by rail. Moreover, of the gross revenue, which amounts to \$2.3 billion on an intercity basis, the railways' share was \$1 billion, or 43 per cent, while the trucking industry's share was \$1.3 billion, or 57 per cent of the revenue. The trucking industry certainly cannot be overlooked in the approach to an integrated transportation system.

What bothers me, Mr. Speaker, is the fact that most of us consider that the railways should be more competitive and in a position to provide cheaper transportation than the trucking industry, given the economy in respect of fuel and the fact that they can move goods in much larger quantities, particularly bulky items. I think the fact that this bill will compel the railways to bring forth their facts and figures in order to justify their approach to the formulation of freight rate structures will provide a greater insight to the whole question of how they arrive at specific freight rates. Therein lies the major problem in so far as the impact on regional development is concerned. Surely it is time we took a very firm and positive position and said that transportation in Canada must be utilized as a major instrument for economic development in the regions.

Now, while the government is asking for disclosure from the railways and in the future will be asking for disclosure from other modes of transportation, I want to say something about the failure of the Minister of Transport (Mr. Marchand) to disclose precisely what is going on in his department. I think it is fair to say that even before this legislation was drafted the railways had made a commitment to the provinces to provide reasonable cost disclosure on the basis of an exchange of correspondence between the chairman of the two railways and the department. This government is far too secretive in its approach to transportation, Mr. Speaker. If the department and the government were to take the public into their confidence, I think we would have a much more informed and rational discussion of the whole subject than we have had to date.

I should like to point to a couple of examples. The study on the 22 specific freight rate items that was requested at the western economic opportunities conference in July, 1973, has been in the hands of the minister and the provinces for some time, but it was very difficult to extract that information from this government and this minister. It was not until a rather bitter debate took place in committee that the minister saw fit to table the information.