

Western Grain Transportation Act

another major new adjustment is now necessary, in large measure to free the new Canadian West from the constraints and distortions caused by the old rate structure. The western transportation initiative is, therefore, nothing less than a major new phase of Canada's development, which, like many other phases before it, will benefit not only the new West but the nation as a whole.

The general economic benefits of the initiative can be discussed under at least two headings. One consists of those benefits which will flow from the construction activity itself which will be felt over the short and medium term. The other set of benefits, eventually more important for our children and grandchildren, will be the modernization of the transportation system which will contribute to making the Canadian economy much more fit to meet the economic challenges of the twenty-first century.

Let me deal first with the short and medium-term effects. In the short term the initiative means that thousands of construction jobs can be started up almost immediately—laying the rails, building the bridges and tunneling the mountains. This is indeed already under way as a result of interim financial assistance to the railways. There will be an immediate need for steel rail and wooden ties, providing useful work for the steelworkers and forest product workers, too many of whom have been idled by the world recession or forced into other occupations where their acquired skills are not now put to best use. From the wages paid out to them there will be an important multiplier effect which will be felt significantly by those who service these industries, especially in the steel and forest products communities that have been so devastated by the international recession.

But that is just a start. Over the coming decade, as the system is put in place and begins to show results, many sectors of the economy will be called upon to respond. Stronger agricultural production will require more farm machinery, fertilizer and other farm inputs and services. Manufacturers will be called upon to produce the rolling stock to move not only the increased agricultural products but other western resources and products, such as potash, petrochemicals and coal which can be moved confidently to world markets by a reliable transportation system. The railways will be equipping themselves with the most advanced communications, traffic control and safety systems, providing important new opportunities for our high technology industries.

● (1115)

The Government estimates that the \$16.5 billion to be spent by the railways between 1983 and 1992 will lead directly and indirectly to \$34.8 billion in industrial sales. We estimate that nearly 375,000 person-years of employment will be created during that period with a resulting labour income of \$12.2 billion.

[Translation]

I may also add that during this decade, Canadian industry and Canadian workers and production teams in various

industrial sectors will upgrade their skills and develop new ones. Skills, that is, expertise and know-how in the field of new means of transportation and communications, will themselves be a marketable commodity to be exported to many other countries that are obliged to modernize their transportation network.

In this new era, knowledge and information are as valuable as material products, and skills will be a new and important asset to the future of our economy as a whole. However, as I said before, Canada is a country made of economic regions that complement and rely on each other, and as a result, we must also consider the many ways in which the economic spinoffs associated with the construction phase of the western transportation measure can be shared among Canada's various regions.

As the Minister of State for Economic Development and Minister of State for Science and Technology, I am particularly interested in this aspect. Although we are speaking of a western transportation measure, the scope of this project is such that all regions can expect to feel the impact on their respective economies.

The proposed distribution of spinoffs is equitable and has the additional advantage of being economically sound, in that it builds on the strength of each region so that all regions are able to contribute to a project that in the final instance, will benefit each and every one.

[English]

It is also because this is a western transportation initiative that it is appropriate that the new Canadian West should be the main focus of the economic activity generated by the project. The four Provinces of the West will, when taken together, absorb about 57 per cent of the economic stimulus provided by the anticipated \$16.5 billion of expenditures over the next ten years. Over the same period more than 157,000 person-years of employment could be created in the four western Provinces with all the spin-off and ripple effects which, as I have already indicated, augmented payrolls bring in their wake.

British Columbia, with a projected share of one-third of the \$16.5 billion to be invested by the railways, will be the main site of construction activity. The major challenge of double-tracking through the mountains will create thousands of construction jobs. These will be supplemented by jobs created to upgrade terminals, expand existing and build new repair shops. The mining, metal fabrication and forest industries will be significantly affected. It is expected that the new economic activity associated with the western transportation initiative will generate 87,000 person-years in British Columbia alone.

The timely expansion of port facilities on the Pacific coast will ensure that British Columbia is properly poised to move the increased product that will be delivered on a modernized and improved railway system. The federal Government has contributed millions of dollars to the expansion of the bulk coal handling terminal at Roberts Bank in the Lower Mainland and