

*Western Grain Transportation Act*

benefit of the producers and, while they do not like it, only do so because they are national companies, and should do so.

But that is not the reason. The reason they have been moving grain and will continue to move grain, and the reason they are pleased with Bill C-155 as it exists, is that they will make money. It is not with a sense of national interest but because of the prospect of reward that they will do so. That is fine, let the railroads be rewarded, but in return let there be some guarantees in this Bill for the taxpayers of Canada.

I believe it was the Minister of Energy, Mines and Resources (Mr. Chrétien) who talked about iron-clad agreements. But we only talked about iron-clad agreements. We find that this Bill does not provide the statutory powers to require the railroads to function in the best interests of producers, maximize their returns and use the taxpayers' money economically. For that reason we have introduced several amendments that would require the railroads to perform in those interests. That is why we will be supporting the amendment when it comes to a vote.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, we dealt with this subject at some length in the committee. Many witnesses spoke to this matter and members of the committee discussed this Bill clause by clause. I believe there was certainly an implied agreement among all members from all sides in the committee that further steps had to be taken than in the past on how the railroads deal with one another and how it should be for the benefit of the railway users as well.

● (1220)

We support Motion No. 33. For many years shippers generally thought that the National Transportation Act and the Railway Act provided sufficient safeguards that the CTC, the Minister and the courts could require certain things of the railroads. Too often we found they could not, would not or did not. We have seen for too many years, at the expense of shippers, in this instance, grain shippers, the spectacle of the railways not wanting and even refusing to handle one another's traffic, to the detriment of ports like Churchill and Prince Rupert and even on the odd occasion to the detriment of Thunder Bay or Vancouver. When the Canadian Wheat Board needed a large volume of a certain grade and quality of one kind of grain and it had to be drawn from many places on the Prairies, marshalled and got to the coast or Thunder Bay, the railroad's refusal to have reciprocal arrangements to take traffic on one another's tracks meant it took that much longer for the grain to get to its destination. And all in the name of what? In the name of so-called competition.

Competition in the railway system in Canada has always meant higher costs for taxpayers and for the users of the railways. Since the railways are a public utility, they should be treated as such and they should be accountable as such. It is something that everyone has to use directly or indirectly. Railways are natural monopolies. In that kind of circumstance, competition has no place. If it were logical to have competing railroads, it would be equally logical to have competing highways, competing sewer and water systems, telephone and

power lines. If you were to suggest that, they would run you out of town or laugh you out of town. The economic and social logic of having competing railroads, competing public utilities, has always escaped me and many thousands of other Canadians. Certainly in many other countries they got rid of that mythology of the 1890s railway barons many years ago. All countries in western Europe of all political stripes gave up on the idea of competing railway systems decades and decades ago.

I said it meant higher costs, Mr. Speaker. It means higher costs for users. It means interchange charges, switching charges. It means duplicated facilities, the cost of which plus the railroads' profit is built into their freight rates, which users have to pay.

We have had spectacles and I would like to illustrate. Take grain loaded on a CN line in my friend's constituency of Assiniboia destined for Vancouver. What happens to it? That CN line is southwest of Moose Jaw. The grain is hauled back northeast to Moose Jaw. It is destined for the west but it is hauled northeast back to Moose Jaw. Then it is hauled east from Moose Jaw to Regina. Then it is taken northwest from Regina to Saskatoon. Then it starts going west to Vancouver. In the meantime it has crossed two CPR railway lines. That is called a back haul. Those back hauls have meant millions of dollars in costs to the Canadian Wheat Board, money which has come out of the grain producers' pockets.

That is the worst form of competition. It is competition backwards. Whatever validity there is to competition, it sure is not valid in that kind of circumstance. Other members in this House from western Canada will be able to illustrate countless other situations similar to that.

This legislation, if it passes, means that no matter how the money is paid out, whether Government money is paid to the railroads or paid to the producers, or paid partially to the railroads and partially to the producers, the railroads still get the money. In fact, we submit that if all the money were paid to the producers, it would cost the producers even more. In any case, no matter how it is paid out, the railroads still get the money. This extra money guarantees not only their long run variable costs, their out of pocket costs including maintenance and depreciation, but it also guarantees them a 22 per cent to 25 per cent return on investment. That is pretty nice. Most of us would be happy if we could get a 9 per cent, 10 per cent or 11 per cent return which means, compounded over five years, double your money. But the railroads get a guaranteed 22 per cent.

I ask the Parliamentary Secretary, I ask any reasonable person in this House how much more willing and ready will the railroads be to enter into a reciprocal agreement using one another's lines or one another's equipment, or taking over traffic from one railroad on to another, and yet not get the benefit of all that money? Just as sure as the sun will rise tomorrow morning, the railways will be even more reluctant to enter into reciprocal agreements. It is all very well to promote it, as is called for in this legislation; you can promote it until you are blue in the face but it is not about to happen. Even