

*National Transportation Policy*

cost control. But an enormous amount of iron ore still continues to flow every day from that vast area.

• (2020)

The iron ore of the area is delivered at Sept-Îles at the rate of about 164 cars every two hours, 24 hours a day, seven days a week, which represents as I said a short while ago approximately 28,600,000 tons a year and makes my small region the biggest exporter of iron ore in the world.

One is surprised at times when I quote those figures. I did it in committee and I was asked whether I had verified my figures, since 28,600,000 tons did not make us the biggest exporter of iron ore in the world.

However, if you add the 12 million tons of iron ore that are delivered each year 40 miles west, you get a total of about 40 million tons, and this is how you get figures that make us the world's largest exporters of iron ore.

Mr. Speaker, I say this so that my colleagues may understand that these gigantic developments, in so far as iron ore and mines in particular are concerned, are huge investments made at an unbelievable rate.

Of course, we are still in need of other suitable transportation means, in particular in the eastern part of the St. Lawrence north shore. But I trust, thanks to the cooperation I have received for a few years from the Minister of Transport as well as a few senior officers of his department, that we shall succeed in achieving our objectives and provide to the people a fairly suitable service.

In the lower north shore, the Department of Transport has to subsidize maritime transportation, so that the people get a better service. About \$1 million are required each year in subsidies, which can be renewed every five years or so.

This enabled a shipping company, during the summer-time, to serve all those small communities along the shore, from Sept-Îles to Blanc-Sablon, that is over a distance of 500 miles.

**The Acting Speaker (Mr. Boulanger):** Order, please. I regret to interrupt the hon. member, but his time has expired.

[*English*]

**Mr. Jack Murta (Lisgar):** Mr. Speaker, in the few minutes at my disposal I would like to comment on the freight rate situation. In some cases I believe the freight rate policy has worked to the detriment of western Canada. Western railway freight rates have been a topic of controversy ever since the Crowsnest Pass agreement of 1897. The railways were entirely responsible for the settlement and development of the Prairies and of the interior of British Columbia in the last part of the last century and the first part of this century. Yet once their initial role as a land colonizer was finished, the railways continued to dominate the west. It is my submission that this domination by the railways today is all-pervading in western Canada.

Many people say that we are overstating the role of the railways in western Canada. I do not agree. If anything, the effects of the railways on every facet of western life have been downplayed. I consider the railways and their policies to be responsible to a large extent for the lack of

[Mr. Blouin.]

western development, and because of this the conduct of the railways will always be a number one political issue in western Canadian politics.

I might add that this issue was one of the main causes for what I consider to be growing alienation among westerners. I would caution the powers-that-be not to ignore this growing feeling of western alienation which is sometimes expressed in bitterness. It is a condition which arises out of neglect, out of eastern domination and out of a feeling, which is justified, that we are not developing to our fullest potential because of lack of consideration for all parts of the country.

One of the main factors involved in manufacturing in secondary industry is the cost of delivering the product to the market. Because of the present freight rate structure a competitive disadvantage is put on western secondary industry. This manipulation of freight rates is in effect a subsidization of eastern industry in that its products can be shipped to western Canadian markets at rates which often undercut our local manufacturers and in some cases go as far as to drive them out of business. A good example of this is the processing of rapeseed into meal and oil.

• (2030)

As we all know, rapeseed is a newly developed crop in Canada. Processors of rapeseed on the Prairies have discovered that they have lost their competitiveness in this business because the freight rates allow bulk rapeseed to be shipped to eastern Canada, processed there, shipped back to western Canada and still undercut the local manufacturer's price. At the present time, western processors are testing the validity of these freight rates in court action in the city of Saskatoon, Saskatchewan. I consider this to be pure discrimination in favour of eastern interests. It is just one of hundreds of examples. What I find most disconcerting is that basically the same principles for western freight rates apply today as were agreed to in the Crowsnest pass agreement of 1897. In the intervening period of 75 years, conditions have greatly changed in the west but we are still subjected to the same basic rules.

The purpose of the 1897 agreement was to provide a method to ship grain out of the west at reasonable rates and to supply the colonists who were opening up the country with the consumer goods they needed. This was all part of our national policy. This agreement has always been a good precedent for government control of freight rates for grain and its provisions have kept down the cost of shipping grain so that these products could be most competitive.

It must be noted that the railways are still making profits, at the present rates, for shipping grain despite the fact that they have made repeated attempts to have the grain freight rates raised. It cannot be said that grain freight rates are being subsidized as are the rates for eastern manufactured goods. The railways are not required to warehouse grain as they are with respect to manufactured goods. They do not load or unload the cars. And grain constitutes the largest volume of any commodity hauled: it moves in bulk, by full carload of maximum weight, over long distances and by large trains. Although the railways did face increases in certain costs of their