

National Transportation Policy

There has been a great deal of talk about the concept of Crowsnest Pass rates and how terrible they really are, but even some members of the Liberal party from western Canada admit there is a problem. It has been suggested the railway companies are not making enough money and that is why they are not interested in handling grain. I have often said, as have other hon. members, that there is no Crowsnest Pass rate in respect of the movement of cattle. Last fall the companies did not look after that business very well. There were reports of cattle cars arriving in eastern Canada with as many as 10 or 20 head of cattle dead or dying because of the poor handling by both railways, the CPR and the CNR. There was no freeze on freight rates and there have been seven or eight freight rate increases since the 1967 National Transportation Act came into effect.

What is the situation in respect of Crowsnest Pass rates and are the railroads losing money? It is interesting to make a comparison of those years in which the railroads moved the most grain for export, particularly as to the profit and loss picture. In 1966, the railroads handled a record amount of grain for export, some 815 million bushels. The CPR's profits were never higher. They had a net profit of \$50 million on freight that year. If the railway was losing money moving grain and handled twice as much as they normally handle, one would expect their profits to be down, yet in 1966 the profits were higher than in any of the 10 previous years. What is the case as far as the CNR is concerned in the movement of grain? Before the interest on debt is taken into consideration, in other words the net operating profit or loss picture of the CNR for 1966, the profit was \$24 million. That profit has not been higher in any one of the previous 10 years.

In 1971 the estimated movement of grain, that is barley, wheat and other grains for export, was 800 million bushels, nearly equal to that for the year 1966, yet in that year the CPR showed a profit of \$45 million while the profit for the CNR in the same year was \$21 million. In 1970, the CPR's profits were \$38 million and the CNR's profits were \$14 million. One could go back over the years, but I am hitting the highlights to point out quite clearly that the argument that they are losing money in the movement of grain on Crowsnest Pass rates is wrong. If they were losing money, then the more grain they moved the lower their profits would be, and that is not the case.

I see my time has nearly expired and you are about to rise, Mr. Speaker, so I thank you for this opportunity of expressing my feelings.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I welcome the opportunity to take part in this discussion of our national transportation policy. There is a pressing need in Canada for some major changes in our over-all approach to transportation problems. As an important trading nation in both industrial goods and raw materials it is absolutely essential that our national transportation system provide quick and cheap access of goods and people to every part of our nation.

Canada needs an integrated transportation policy which would take into consideration the four major means of transport; air, rail, road and water. The lack of an adequate policy and program by the present government is apparent in all fields of transportation. Our rail service

[Mr. Horner.]

for passengers and all types of goods is anything but satisfactory. Discriminatory regional freight rates are allowed to exist in our country and nothing is done to remedy the situation.

Moves are being made by the B.C. government and certain economic interests to siphon off part of the coal haul in the east Kootenay area to a United States railway line. Again, there is silence and lack of federal policy and direction on what could become a major communication problem in every part of Canada. The building of the Kootenay and Elk railway should be blocked by the federal government, if necessary by an amendment to the Railway Act. In addition, this government should lay down a national transportation policy which would ensure that goods and materials for shipment or export would be carried wherever possible over our own Canadian communications system. I should like to give in more detail the serious economic effect which the building of the Kootenay and Elk railway would have not only on the economy of the Kootenay area but on the economy of Canada in general.

• (1650)

If this type of railway construction can be licensed provincially, then something is seriously wrong with our Railway Act. This contemplated railway cannot in any sense be classed as a provincial railway. It is merely an appendage to a United States railway called the Burlington Northern, and should be wholly under federal jurisdiction. The building of the Kootenay and Elk railway has been backed by the Social Credit government of British Columbia and by the previous Social Credit government of Alberta. Both governments sent legal counsel to the Canadian Transport Commission hearing in Ottawa in the fall of 1970 to back up the case presented by the Kootenay and Elk railway.

It is difficult to understand why any provincial government would take such a stand in view of the serious economic effect the loss of jobs and income would have on the general economy of the area. If an alternate route to the Pacific coast were required it could and should go over the existing Kettle Valley line which closely parallels the United States border. This line should be upgraded and used as an alternate route for the coal haul and as a possible return route for the empty coal trains. There is no need for further sellouts to foreign transportation systems, for the existing rail facilities in the area can handle the present coal haul and also any increase in future exports.

Right from the start the Kootenay and Elk railway was never intended to be a provincial railway in the true sense of the word. It was a scheme to establish a competitor to the CPR for the transportation of coal from the east Kootenay coal fields to the Pacific coast via an United States railway line. It was never intended to be a wholly intra-provincial railway because it was not to operate as a common carrier. It was not to have any rolling stock or equipment of its own. That would all belong to the Burlington Northern.

What a ridiculous situation it is for the government of British Columbia to claim that this could possibly be a provincial railway. It is nothing but an appendage to a