

*Grain Transport*

overlapping activities? Will the recommended task force be established? Will the report we have discussed today be referred to a standing committee of this House for study?

**Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I welcome the opportunity to make a few comments in relation to grain transport in western Canada because the motion before us directly addresses an issue which has preoccupied federal governments so much in recent years and because I believe this is an opportune time to put in perspective our achievements in grain transportation.

There has been considerable activity in this area in recent months. The present minister has participated actively in dialogue and discussions with western transport and agriculture ministers on several occasions. He has consulted with industry leaders, including representatives of the producers, of the pools and of the grain companies. In fact, just yesterday the Minister of Transport (Mr. Pepin) was in Winnipeg discussing the future of the office of the grain transport authority and a possible successor to Dr. Horner who recently resigned. This interest on the part of the government is not newly found. Indeed, there has been a number of studies and several major programs undertaken in the last decade. I should like to touch on these briefly and try to assess the impact of each.

We can trace the beginning of the current approach to grain transportation issues to about 1969. In that year two significant moves were made. One was the establishment of the grains group as an interdepartmental advisory body drawing its staff from the Departments of Agriculture, Industry, Trade and Commerce, and Transport. Its creation stemmed from the recognition that grain production, transportation and marketing were integral parts of a whole system which could not be dealt within isolation and that a central unit was required at the policy level to maintain contact with the many organizations involved in the grain industry, ranging from farm organizations to provincial governments, from the Canadian Transport Commission to the Canadian Grain Commission, to name only a few.

The other significant move was the establishment of a basic rail network of 12,500 miles. This enabled elevator companies and producers for the first time to make sound financial planning decisions. It was recognized, however, that a number of branch lines were uneconomic, and a branch line subsidy program was introduced. It might be worth mentioning the amount that has been disbursed under this program, as it often seems to be sidelined in the discussion of more recent programs. Since the first payments in 1971 through to 1980 the CTC has paid the railways—that is the Canadian National Railways, the Canadian Pacific Railway and the Northern Alberta Railway,—\$779.1 million in branch line subsidies.

The branch line subsidy program, however, was a piecemeal approach. It was soon recognized there were more fundamental problems with the grain handling system that were far larger than simple uneconomic branch lines. Canada's exports were not keeping pace with world grain trade. This was more a symptom than a cause. The most alarming fact was that the railways were allowing their grain-related capital plant to

deteriorate rapidly in favour of more profitable traffic, and grain transportation was suffering.

The first full-scale inquiry into these major problems was the commission on grain transportation and handling in western Canada, commonly called the "Hall commission" after its leader. Established in 1975 it held hearings across the west and its wideranging recommendations in 1977 had a major impact. I know a number of members who were involved in the debate at that time and will tell you how controversial many of the Hall recommendations were. There are still people in the west, and members of Parliament who will come and say, "Adopt the Hall recommendations lock, stock and barrel!"

Now many of the Hall recommendations were in fact adopted. Others, for better or worse, have been overtaken by events but not before having a very real influence on the course of action which was eventually taken. One critical area was the whole question of the prairie rail network. The Hall commission had recommended adding some 1,800 miles of track to the 12,500 miles already guaranteed in the basic network. The commission also recommended some 2,200 miles for abandonment and a reassessment over a 12-year period of the remaining 2,300 miles of the total branch line network. This was followed by PRAC because a 12-year wait left producers and companies with a great deal of uncertainty. Urgent action was needed in the form of a speedy reassessment.

The Prairie Rail Action Committee was given the task in 1977 and was told to report in 18 months, which was an early candidate of the sunset clause concept. As a result of the work of this committee a further 1,000 miles were added to the basic network and about 1,300 miles were recommended for abandonment subject to normal CTC review. PRAC was unique. Not only did it report in 15 months, or three months before its deadline, but it released recommendations as it progressed rather than waiting for a final report. This allowed elevator companies to announce over \$10 million worth of improvements to their facilities before the assessment was completed. As hon. members know, this was not the end.

An election came along and we found ourselves with yet another study under way, this time by the hon. member for Moose Jaw (Mr. Neil). Now I would have been glad to give the member proposing the motion a copy of this study but we on this side of the House have not had the privilege of seeing it. This is a bit of a shame because, as a result of the study a number of lines recommended for abandonment by PRAC suddenly were included in the basic network. So it must have been an interesting study. But that is history, for another election came along and the present minister inherited the legacy I have just described.

Simply for the record, I mention the minister's announcement of August 6 this year. After his own review of a number of the lines involved, he decided the uncertainty which had lingered for years had to end and that a strong case had been made for retention of the lines. About 630 miles were thereby added to the basic network bringing the total mileage guaranteed to the year 2000 to about 15,900 miles representing