

*Transportation Policy*

**Mr. Benjamin:** As a supplementary question, Mr. Speaker, and just to finalize this point, would the minister advise whether it is his intention to recover fully the cost of this icebreaking bulk cargo vessel from the mining companies that it will serve in the eastern Arctic, or is this going to be another subsidy to the private sector?

**Mr. Marchand (Langelier):** It is not a subsidy, Mr. Speaker. The hon. member will have to wait until we fix the price for moving the ore that is going to be mined in the Arctic. The company does not own the mine, so I do not know how the hon. member can make that reference. As far as I am concerned, there is no relationship at all.

**Mr. Benjamin:** I have a final supplementary question, Mr. Speaker. On the other area of policy the minister pointed out, as I understood it this morning and as repeated this afternoon, that competition refers to areas where transportation is economically viable. Would the minister advise me on this point? How will he reconcile rates charged to cover transportation costs or facilities like the St. Lawrence Seaway without people in the prairie or Atlantic provinces paying a disproportionate share of these costs for the goods and services they require to put through the transportation network or facility in the so-called competitive areas?

**Mr. Marchand (Langelier):** That is exactly the reason why we are studying this, Mr. Speaker. There are all kinds of implications not only for the west but also for the United States. The debt of the Seaway is around \$800 million and I do not think the Seaway collects enough money even to pay the interest on the capital invested. The United States has forgotten about the interest, but we have not done the same. The same situation exists with the CNR.

Regardless of what we think or what ideology we have, somebody will have to pay for transportation in Canada. If we decide to forget about CN's debt or the Seaway's debt, this would mean prices would be artificially low. That might be a good thing, but all Canadians will have to pay the bill. Right now we know where the right price applies. We are discussing the question, and perhaps the best thing to do would be to do what they did in the United States.

**Mr. McRae:** Mr. Speaker, the minister has made several comments dealing with the best use of various modes, and I understand these modes include pipe lines in coastal areas as well as standard modes of transportation. In implementing this policy, and in the interest of better rationalization of intermodal transportation, will there be much closer communication between the minister's department, the Department of Energy, Mines and Resources, the Department of Indian Affairs and Northern Development, the energy board and the CTC? Would things like coal slurries be considered as an alternative to unit coal trains, or a railway along the Mackenzie valley as an alternative to an oil pipe line-highway concept?

**Mr. Marchand (Langelier):** We have started to work more and more with other departments. As I said in my speech, with all these new techniques we are asking whether it is preferable to move the coal by train from Alberta to Ontario and generate the electricity in Ontario,

or to generate the electricity in Alberta and move it to Ontario.

**Mr. Lawrence:** Move electricity from Alberta to Ontario? How?

**Mr. Marchand (Langelier):** By using a power network. I am not saying we are going to do this tomorrow, but even coal can be moved by pipe line today. We have made no conclusive studies of this specific matter, but to answer the hon. member's question, yes, we are working with other departments to try to see what is the best thing to do.

**Mr. Malone:** Mr. Speaker, in light of the fact that CN has committed itself to the movement of grain in Canada, and in light of the fact that it has not done a very good job in recent years, is the minister planning to give consideration to allowing small, independent companies to operate on CN's spur lines serving areas assumed to be uneconomical to CN but which small, independent companies other than the CP might be able to use to move grain more cheaply to larger centres?

**Mr. Marchand (Langelier):** Mr. Speaker, I do not speak for the government on this matter; I am just giving hon. members my reaction. We have two national railways in Canada and a few other provincial railways. I am a little reluctant to multiply them. I am a little reluctant to multiply the air lines, as they did in the United States, where some are now going bankrupt. If CN does not give good service, it might be preferable to compel CN to improve its service rather than go to a new small company.

● (1750)

**Mr. Malone:** Mr. Speaker, may I take it from the minister's response that it is in fact his intention to get a specific commitment from the CN that it will move grain from smaller centres rather than setting up inland terminals which might result in the destruction of small rural communities and the establishment of larger ones? I would be curious to know if the minister can clarify that he intends to get a commitment from the CNR to move grains from the smaller communities at this time.

**Mr. Marchand (Langelier):** Mr. Speaker, the hon. member probably has something very precise in mind which we can discuss in the committee. I am ready to use the authority I have, which is too often only a moral authority, to convince the CNR to do a better job. I do not know exactly how many hopper cars we, as the government, bought for the CN and the CPR because those two companies were refusing to give the service they were supposed to provide under statute. I am ready to do something in this direction, but I would like the hon. member to tell me exactly what he has in mind.

[Translation]

**Mr. Béchard:** My question deals with interprovincial ferry boats. It is a recognized fact, federally as well as provincially, that ferryboats are considered road extensions. As a result, the federal and provincial governments subsidize such a means of transportation, obviously in order to reduce costs for users. But may one conclude,