

the rate has progressively gone down, until in 1971 it was 55 cents a hundredweight. The rate from Thunder Bay to Ottawa in 1967 was 73 cents per hundredweight, but this rate has also progressively gone down until in 1971 it was 41 cents per hundredweight, and this purely because of competition.

We have not progressed one little bit in implementing section 3 to bring about greater competition on the prairie provinces. Let us look at the recently announced statement of the government regarding diversifying rail movements to the west coast. The government announced in the House, with all the fanfare that it could muster, that it was going to spend \$5 million in developing the port of Prince Rupert. I should like to quote from the committee proceedings No. 9 for Thursday, May 25 last. As reported at page 9:63 I asked this question:

I would like to question you briefly on the concept of the \$5 million for Prince Rupert. This is a very worthy project and so on and so forth. What disturbed me about the announcement is that tagged along with it came the statement that we would invite suggestions as to how to develop this port.

I suggest the government might just as well have said that it was going to spend \$100 million—which might have got a few more votes on the Prairies—because the government does not even know how to spend \$5 million. Eventually, the government well might. In reply, the minister said:

On the question of the \$5 million, basically my conception of that is that it would probably be used in the first instance, if it was deemed to be clearly necessary—in other words, if conditions proved it—probably to increase the bulk loading, and especially the grain handling facilities in Prince Rupert.

So, the minister is saying that the \$5 million would probably be used if it was deemed to be clearly necessary. He does not know whether it will be clearly necessary. At the time of the government's announcement, the port of Vancouver was in great difficulty as a result of snow problems in the Rockies. The minister thought that the best way to divert shipments would be to suggest development of the port of Prince Rupert. He threw out the political bait of \$5 million for Prince Rupert, and then admitted he had no idea how to spend it. Then, he continued:

But in other words, if there is a demand for more grain storage at Prince Rupert, then the funds have been allocated so that that grain storage can be provided.

• (1640)

It is the old question of which comes first, the chicken or the egg. Do you provide facilities at Prince Rupert or do you wait until that port is cluttered up with grain, then acknowledge that grain is being shipped out there and that another port, a dock or storage facility should be built? This has been my complaint in respect of the government of the day in the field of transportation. It has failed to provide leadership. It is not good enough to say we will spend \$5 million, the government must say it will spend \$5 million for this thing, that thing and another thing. The government must say it wants the railroads to move grain to that port and commodities from that port.

When we are dealing with Pacific rim countries we must remember that Prince Rupert is closer to those countries than the Port of Vancouver and other ports on the west

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coast. What is the situation in Prince Rupert? In 1962 and 1963 the government built elevator storage there at a cost of \$620,000. Government expenditures there have gone downward sharply in each year since then, to the point that last year only \$57,000 was spent by the federal government. This does not really encourage much development at that port. There is one major storage facility for grain with a facility to load ships for grain and one for general material such as lumber and so on. The Prince Rupert port is relatively open to storms originating in the Pacific Ocean. Perhaps the government could spend part of its money building more facilities there for the handling of grain. It should also encourage railway companies to use that port.

What has the government done in respect of grain handling facilities at the Port of Vancouver? In 1967, the federal government spent \$17 million or \$18 million at that port, and its expenditure has gone down since then to \$6 million last year. In comparison, federal government expenditures have been in the area of \$19 million to \$20 million for the last four or five years at the port of Montreal. The Department of Transport has suggested it will develop a new concept called a user's concept. What has happened in respect of traffic in Vancouver as compared to traffic in Montreal? The traffic in Vancouver has sharply increased and it is now handling 27 per cent of all tonnage in and out of Canada.

Mr. Deachman: Hear, hear!

Mr. Horner: I notice the hon. member for Vancouver Quadra (Mr. Deachman) applauding. Let me remind him that the government of which he is a party member has sharply curtailed its expenditures at that port. Let me remind hon. members of the competition that the Port of Vancouver has from that port to the south, namely Seattle. I am sure the hon. member is aware that Seattle has developed its port to the point it now has 10 or 11 containerization facilities, while Vancouver is in desperate need of a second containerization facility. Because Vancouver does not have the facility, it is continually losing trade to the Seattle port. It is cheaper for Japanese goods to come into Seattle by containerization, where they are handled quickly and efficiently and moved to western Canada or central Canada. If you talk to the people in the Vancouver Port Authority, you will find this out for yourself.

I was pleased to note the other day that the government intends to contract for the construction of 2,000 hopper cars. I referred to this need in a speech I made in respect of transportation of March 8, and I am pleased to see that some of my suggestions are being accepted. We have another problem in respect of our rail system throughout Canada. Much of our Prairie rail line is up for abandonment, and our second and third lines cannot handle a full hopper car because of the weight of our trackage. Most of these lines can handle only a 2,000 bushel car, but a hopper car can carry 3,000 bushels. There is not much point in building hopper cars if the trackage is not heavy enough to carry them fully loaded. Has the government clearly enunciated a policy of upgrading our secondary rail lines to handle maximum loads before allowing main line abandonments? I suggest it has not, but this should be done.