

National Transportation Act, 1986

Many people who find rail cost accounting complex and confusing might cheer because it raises the economic threshold for abandonment, but it also means that the cost base upon which federal compensation is determined in the event a line is allowed to be abandoned is low. Therefore, the alternative compensation that communities and shippers may see as helping them to make the transition will almost inevitably be inadequate. On page 2323 of *Hansard* the Minister of Transport (Mr. Crosbie) said:

We do not believe that the railways need a monopoly to be viable or to compete with the U.S. railways.

Railways have not had a monopoly for half a century or more. The 1967 National Transportation Act recognized that. Some people say it was a belated recognition. But no one in the railway industry is asking for a monopoly to stay viable. It has not had a monopoly for ages and it does not want one. However, it does want to be able to compete without its own federal Government tying its hands and opening it up to unfair competition from the U.S. railroads.

The statement by the Minister also raises a broader issue and that is the public policy perception on which this legislation is based. It has been stated frequently by promoters of this Bill that the railways are "fat cats" and that they have been taking advantage of monopoly powers. If that is so, Mr. Speaker, where are the monopoly profits? When Hon. Members rise in the House to complain about corporations making all kinds of money, we do not hear about the Canadian National—or CP Rail, for that matter, as opposed to other dimensions of CP's operation—being cited as one of those "fat cats". In fact, people have been laid off by the tens of thousands over the last 10 years.

The promoters of this Bill have created a bogey man of a monopoly which no longer exists. They have tried to create a perception of railways operating like 19th century buccaneers so that they can justify a piece of flawed legislation which ignores economics and indulges in political wishful thinking.

On page 2323 of *Hansard*, the Minister goes on to say:

The captive shipper and Canada need better service at better prices to meet the ever-increasing rigours of domestic and international competition.

The captive shipper may be in for a nasty surprise. He is like the dog in the old fable trotting across a bridge above a stream with a bone in its mouth. When it sees the reflection of the bone, the dog thinks it is another and better bone. He drops the bone in his mouth and dives for the reflected image and ends up with nothing.

The benefits of having other carriers, in particular, U.S. carriers, may well be the same thing in terms of long-term effect; an illusion, a mirage, a deception perpetrated upon the shippers and Canadians in general by the Government.

The revenue lost to Canadian carriers, combined with the ability of U.S. carriers to control routings, may well make the U.S. carrier the only carrier for all practical purposes. Once the financially drained Canadian carrier ceases to be a competitive option, the U.S. carrier can treat the Canadian

shipper however he pleases. The Canadian captive shipper is no better off, in fact, worse off, than he was before. It is this kind of game of illusion which is being perpetrated with Bill C-18, that is, illusory "benefits" which are supposed to increase competition when the end result may be less competition.

On page 2324 of *Hansard* of December 19 the Minister said that the CTC:

—is a huge albatross about the necks of those involved in the transportation industry, and has enormous authority.

It may be a big albatross, and a slow moving one, but at least it is an impartial and apolitical albatross. Finally, on page 2324 the Minister says:

—we will set transportation policy and be responsible for it. We will not slough off responsibility to someone else—

This is a regime of responsibility.

It is difficult to see, by taking more of the responsibilities of the CTC into the Minister's office, how this will lead either to better decisions or faster ones. One of the most famous railway-related decisions made in this country, which the Conservative Party was against, campaigned against and even reversed when it came into office, was the decision made in the Minister's office over and against a decision made by the CTC, and that was to cancel the VIA Rail routes. That decision was made in 1981. So I ask those Hon. Members who are enchanted by the notion of a new regulatory regime to consider the danger of regulatory decisions by the political whim of the governing Party. I ask them to consider the dangers of that being increased and the danger of the Minister exposing himself to getting loaded down with trivia.

This is a bad Bill. Coupled with a lot of other things this Government has done with respect to Canadian sovereignty, I believe that if this is allowed to go through, along with some of the other things on the agenda, in four, five or six years' time we will not have a country worthy of the name.

Mr. Kilgour: Mr. Speaker, the New Democratic Party and the Hon. Member who just spoke say that the railways do not have a monopoly. Would the Hon. Member say the same thing to the coal producers, the men and women who work in the sulphur industry, the potash industry, located on CP rails? Would that Party seriously suggest that these products can be shipped long distance by truck? If so, I suggest that that Party is out of touch with reality. I find it strange that the New Democratic Party is arguing that shippers should pay higher rates in order to ensure that Canadian Pacific continues to have high profits from captive shippers, men and women in the Hon. Member's constituency, in my constituency and in the constituency of the Minister of State for the Canadian Wheat Board (Mr. Mayer).

Has the New Democratic Party become the spokesman for the CPR in ensuring that the shareholders of the CPR continue to receive dividends on the backs of the Hon. Member's constituency and the people of western Canada? Is that the nonsensical position with which the Hon. Member is trying to con this House?