

Western Grain Transportation Act

tors. I leave myself open for criticism from my own Party for recommending this free, private enterprise, sound business practice. However, the investor is entitled to two things. He is entitled to have any profits reinvested in capital improvements or he is entitled to a dividend or interest, either one. He is entitled to a fair return on his investment.

In this case, it is the taxpayers who are putting up the money. It seems to me that the ordinary taxpayer is just as entitled to a return on his investment as he would be if he walked to his favourite broker and invested money as an individual investor. It seems to me the taxpayers are just as entitled to an opportunity to have a return. Through this motion, Mr. Speaker, we are saying that any profits made by the railways for the movement of grain not less than after-tax cost of capital, after-tax depreciation and after-tax constant cost portion be reinvested in capital improvements to the rail system. In other words, we would like to see that any surplus funds will not leak out to the private individual shareholders of Canadian Pacific Limited and will not leak out into investments in other things like more shopping centres or highrise luxury apartments in California or another nickel mine in Indonesia. We would like to see any surplus that the railways have reinvested in the railway plant.

Mr. Blenkarn: Dividends.

Mr. Benjamin: Reinvestment is a kind of dividend, Mr. Speaker, that benefits the whole country. The taxpayers, representing the entire population of the country, have made that investment on their own behalf and on behalf of the country. Therefore, Sir, the best return on that investment is for those surplus funds to be reinvested in the expansion of the railway system in every part of the country, not only in the West. The system should be upgraded not only on railway lines or in tunnels but in signal systems, higher speed trains and new and advanced technology as it comes onstream. That reinvestment should be a continuing process.

We in the country, Sir, have seen a boom and bust cycle in investment in the railway transportation system as well as in other modes of transportation. A transportation system will go for 10, 12 or 15 years letting the plant deteriorate and falling way behind in new technology. Then, all of a sudden, when tracks are grown over with weeds and the capacity is insufficient, the railways want to again dip into the taxpayers' pockets. As the railways have been doing since 1881 and since 1923, if there are any surplus funds, the railways will run off with them and invest them in something else. When are we going to put a stop to that, Mr. Speaker?

Another motion that we are dealing with, Mr. Speaker, is Motion No. 53. I am happy that the motion of the Hon. Member for Portage-Marquette is worded in exactly the same as my motion which the Hon. Member for Vegreville has called frivolous. I hope he will explain that to the Hon. Member for Portage-Marquette.

Mr. Mazankowski: No, your comments are frivolous; that's what I meant.

Mr. Benjamin: Mr. Speaker, this motion deals with confidentiality; that is that any information given to the Grain Transportation Committee or the Grain Transportation Administrator by the railways will be kept confidential. This Parliament, successive Governments since 1881, the Canadian Transport Commission, before that the old Board of Transport Commissioners and even before that the Commission on Telegraphs, Canals and Railroads, have all been denied access to information from the railways because of confidentiality. For Government agencies to get information has been like pulling teeth. Ten years ago when the railways applied to abandon the transcontinental passenger trains, the Canadian Transport Commission had a heck of a time getting information. Then when it did get information, that information had to be kept confidential. The Commission arrived at a costing order with which I am not sure even it was satisfied. In fact, I do not think it was. However, it was based on the figures of the railways which had to be kept confidential.

It has also been put to us by the railways for decades, Mr. Speaker, that those figures must be kept confidential in the name of competition and in order to keep private internal corporation information private so that competitors do not have access to it. What competitors are the railways speaking off? Canadian National and Canadian Pacific compete in name only. They will drop their prices at competitive points, but their prices always remain the same. The overwhelming majority of their shipping points and probably 75 per cent to 90 per cent of their trackage is located hundreds of miles apart. There is no competition; the shippers are captive.

I recall hearing about an incident that occurred regarding a potash mine in Saskatchewan back in 1969-70, a time when international prices on potash products went down the drain. Products that were going for \$24 to \$30 a ton had dropped to \$9, \$10 or \$11 a ton. In any event, this new potash mine asked the railways for a rate from Colonsay to Vancouver. Officials of this mine waited weeks and months, and finally a rate was quoted to them from each railway. Strangely enough, Mr. Speaker, the rate quoted from each railway company was exactly the same. It did not matter which railway the mining company shipped on. The price had nothing to do with miles. Officials of the potash company could not figure out how the railways arrived at that rate.

I will never forget hearing the general manager of that potash company telling me about the findings of the transportation and tariff experts at their company in Gallup, New Mexico. Those experts spent weeks trying to figure out how CN and CP arrived at that rate. The railways were competitive in this case; they both had a spur track into that same mine. Finally, one day, by pure accident, one of the experts opened a tariff book and happened to be going through the tariffs of the Santa Fe railways from Gallup, New Mexico, to San Diego. He found the potash rate there. The rate that was provided to the company by these competitors, CN and CP, which has to be kept confidential, was identical to the rate charged by Santa Fe from Gallup, New Mexico, to San Diego.