

National Transportation Act, 1986

not agree that in such instances the confidential rate is anti-competitive and discriminatory?

Mr. Kilgour: Mr. Speaker, I most emphatically do not agree with the suggestion of the Hon. Member for Regina West (Mr. Benjamin). If I should turn out to be wrong, I hope the Hon. Member will bring to my attention or to the attention of the Government any case where a small shipper was being penalized in the way he just described.

Mr. Benjamin: It is too late then; he is broke.

Mr. Kilgour: We are trying to give shippers a square deal compared with the two railways which basically carry most of the traffic in Canada. The days are over when CN or CP could say to a small, medium or large shipper of potash, to take an industry in my friend's home province, "You will pay what we want you to pay or you can carry the potash out on your back". That era is at an end.

The whole thrust of those parts of the Bill dealing with the railroads is to ensure that small and medium shippers—in fact all shippers—have a chance to obtain prices other than duopoly pricing by the two carriers. That is the whole object of the exercise, as I hope the Hon. Member knows.

When the matter gets into committee for clause by clause consideration and to hear witnesses, no one will listen more carefully than I will to the concern raised by the Hon. Member. If there is a way to prevent it from happening, again no one will be listening more carefully than I will to how we can ensure that a small shipper is not penalized.

Mr. Deputy Speaker: On a short supplementary question, the Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Mr. Speaker, that is not what small shippers told us in Atlantic Canada and in Winnipeg in those brief hearings we were allowed to have.

I have another question for my hon. friend. He talked about competitive line rates. The Canadian Trucking Association, both railroads, and some shippers told us—and \$750 million of Canadian Pacific revenue is at stake—that under the competitive line rate system bulk commodities, such as the ones he mentioned from his province and mine, would move south across the border to the United States, would travel to Seattle or Tacoma or to eastern and central United States, and would come back into Canada. They told us that the business would be lost to Canadian truckers and railroads and that when dealing with products for export they may well use a U.S. port rather than a Canadian one.

In other words, U.S. railroads and truckers will have access and capacities in Canada which will not be allowed Canadian railroads and truckers in the United States. Even individual states will be able to prohibit Canadian trucking companies and Canadian railroads, let alone the United States administration. That is not a level playing field. Competitive line rates will take traffic to United States transportation systems at the expense of Canadian ones.

Mr. Kilgour: Mr. Speaker, my friend has raised a couple of issues. I will deal with both of them.

On the question of U.S. rail taking traffic away from Canadian carriers, if my memory is correct, between 1980 and 1985 three-quarters of a billion feet or more of lumber in British Columbia moved by truck to the cheaper rail system in the United States and bypassed the rail system in British Columbia. That is a lot of lumber.

If the people who operate small and medium sized mills are so concerned about gouging by the railroads in British Columbia that they are prepared to ship their lumber by truck, as the Hon. Member knows, hundreds and thousands of kilometres to the Washington border to get on a cheaper rail system, that says something about the monopoly or duopoly practices of our two railroads or, in the case of British Columbia, of its three railroads.

Mr. Benjamin: Are you kidding?

Mr. Kilgour: No, I am not kidding.

On the question of trucking, my understanding is that shippers from St. John's to Nanaimo are urging us with a single voice to deregulate trucking. I understand the desire of the trucking industry to obtain the benefits of greater flexibility and competition. Truckers are entitled to some time to adjust to a more open system of competition; I completely agree.

The federal and provincial Governments have agreed with the proposition and have decided to provide for a transition period during which a reverse onus public interest test would apply in addition to the fitness test.

I am convinced that greater opportunities will present themselves where a combination of service and price can be worked out to the mutual advantage of both truckers and shippers. It is the kind of flexibility which is needed and is built into the revised Motor Vehicle Transport Act which we will be discussing perhaps tomorrow or the day after. The legislation will allow truckers time to adapt to changing economic conditions in the industry.

However, I might point out that the study conducted on behalf of the Canadian Council of Motor Transport Administrators has provided a very positive outlook. It concluded that the gradual lessening of regulatory control by the provinces over market entry and trucking rates has already brought about important changes in that industry. The Canadian trucking industry is better prepared for regulatory reform than was the U.S. industry before deregulation.

Are you trying to tell me, Mr. Speaker, that I have run out of time?

Mr. Deputy Speaker: The Hon. Member for Hamilton East (Ms. Copps) on a question or comment.

Ms. Copps: Mr. Speaker, given the fact that the Hon. Member made several references in his speech to how this