

*Western Grain Transportation Act*

Minister of Transport was fed up and perhaps somewhat disgusted at the compromises and changes forced on him against his better judgment.

We believe that the distortion of the low freight rates in grain and oil seeds vis-à-vis processed products should be removed and that natural advantages should be retained. The Bill will not achieve that goal. In fact, it will aggravate it. By making a direct payment to the railways it will also further distort existing freight rate inequities and will help prevent further diversification in western Canada. It will cost livestock producers an extra \$20 per tonne for feed and that is a very serious problem. Livestock production in western Canada is a significant part of our total farm income.

The livestock sector of agriculture makes up some 40 per cent of total farm cash receipts in Manitoba, 17 per cent of total farm cash receipts in Saskatchewan, and in the large livestock Province of Alberta it makes up some 47 per cent of total farm income.

It is fundamental in my opinion—and I am speaking as a Canadian from central Canada—that western Canada's agricultural base must be broadened and diversified. According to the Minister's own statistics, the distortion will result in a loss of an additional \$1 billion in livestock production, an additional \$350 million worth of economic activity with respect to processing, packing plants and the feed mill industry in western Canada, costing western Canada some 6,000 jobs.

● (1220)

We believe that grain producers must have a statutory freight rate which preserves the benefit of the Crow and must be protected from that open-ended escalation. Producers will be paying double the existing Crow rate by 1985 and 1986, and an additional \$160 million will be taken out of the prairie economy. Producers will also pay five and a half times Crow by 1991 or 1992, which means that more than \$1 billion will be lost from the economy of western Canada. With the low level of grain prices today and in the foreseeable future, producers cannot afford the freight rate increases in Bill C-155 at this particular time.

As well, there is no statutory protection for the farmers in this Bill. This protection has been transferred to the federal Government which will pay a frozen amount of \$651 million annually, I believe, in perpetuity. We believe that producers should be guaranteed an efficient, cost-effective and reliable grain transportation system in this country. There is no question about that. In this Bill, however, there will not be railway performance guarantees for the first three years. Therefore, Mr. Speaker, the railways for the first three years will certainly receive a free ride.

We believe that the Government of Canada and the railways have a continuing obligation to provide a special low rate to assist producers competing with subsidized grain exports of other nations. Bill C-155 will be taking that away at a time when Canadian grain export competitors have been increasing their assistance to their own domestic grain producers.

**The Acting Speaker (Mr. Corbin):** Order. I regret to inform the Hon. Member that the time allotted for his speech has expired. The Hon. Member for Spadina (Mr. Heap).

**Mr. Dan Heap (Spadina):** Mr. Speaker, if it is allowable to have questions, I would be willing to stand down for whoever wishes to question the previous speaker.

**The Acting Speaker (Mr. Corbin):** No, I should inform the Hon. Member that this time slot does not provide for questions or comments.

**Mr. Heap:** Mr. Speaker, the debate on this Crownsnest Pass rate clearly means different things to people in different parts of Canada. Many of my New Democrat colleagues have indicated clearly what ruin this Liberal legislation would bring to the grain farmers in Canada's Prairies. I agree with them. However, I speak first of all for the people of Spadina, and I wish to tell this House what the killing of the Crow rate would mean to Spadina people, first, and to Canadians generally.

What do the Spadina people need most? What is the biggest source of worry among us? Jobs. We need jobs, well paid and secure, and in that we are like most of the rest of Canada. There is talk of economic recovery. However, there are far too many desperate people asking me about jobs.

There are jobs to be created in the rebuilding of our railway network, good permanent jobs. According to the proposal of the NDP there are main railbeds and branch lines to be rebuilt to carry heavier and faster trains; there is a double track to be built through the mountains to the Pacific, with tunnels and bridges; there is the Hudson Bay line to be rebuilt; the Thunder Bay yards and port facilities to be renovated; lines across Ontario and the Maritimes to be rebuilt; level crossings in populated areas to be replaced by grade separations—

**Mr. Pepin:** Let's go, then.

**Mr. Heap:** I hear the Minister of Transport (Mr. Pepin) saying "Let's go". The trouble is that he gets off that train when it gets to about Manitoba. He does not have plans for renovating the lines east of Manitoba nor even up to Hudson Bay. He has forgotten his own lines.

We must also look into the matter of converting as many lines as we can to the use of electricity instead of diesel. We must build 12,000 grain hopper cars and new passenger trains, and rail service for passengers and freight should be increased rather than abandoned, which is the main preoccupation of the present Minister of Transport.

Will that mean jobs for people of Spadina? Certainly, and for many other parts of Canada. The rolling stock, tracks and other equipment can be manufactured in Canada's industrial cities, and not only steel and metal fabricating but textile manufacturing, furniture making and office supply manufacturing, which we do in Spadina.

All kinds of service work will be stimulated as well as the running and maintenance trades of the railway, which is the occupation of many Spadina residents. However, how many jobs and who pays? That is where the plan of the Minister of Transport fails. He not only plans a smaller program than the NDP, a program which fails to renovate anything east of