

Transportation

setting a datum at which the Crow rate will be considered and guaranteed henceforth.

In a letter addressed to the Hon. Allan Blakeney on February 23, the minister wrote that the Crow benefit, the difference between what producers pay under the existing statutory rate and the real cost of moving grain, which is estimated at \$600 million per year, will be continued and guaranteed by statute. It cannot be tampered with easily, Mr. Speaker, because it will be enshrined in law.

Farmers in the west are being told by some people that they will have to pay five times as much to move their grain as they are presently paying. This is absolutely false. Nothing like that is intended. The farmers will pay the basic rate and the government will take up the difference. We are talking about negotiating and meeting the people face to face concerning what portions shall be absorbed by the railways and by farmers or producers. Also they said that the railways will receive more money. On the contrary, the third condition implied by the proposal of the government is that railways will be called upon and required to act on several fronts. They will have to give a performance and service guarantee related to grain transportation. They will have to make commitments regarding additional investment programs which they will be undertaking, such as building a double track to the west coast. They will have to make adjustments to other rates in order to promote agricultural diversification and processing in western Canada. They will have to present data concerning their revenues, costs and investment plans. These are the guarantees which we will expect to receive from the railways before the legislation comes before us to be discussed in the House and in committee and ultimately passed.

● (1540)

The government has a record of always helping producers. If we look at the record since I have been in government, we have had the drought assistance program, crop insurance, hail insurance, embargo compensation, branch line rehabilitation, subsidies, hopper car programs and so on. I have here what the Government of Canada has spent since 1970 on hopper cars, boxcars, branch-line subsidies, branch-line rehabilitation, the port of Churchill, the Port of Prince Rupert, rapeseed assistance, export flour and grain subsidy, and stop-off charges. It was \$1,798,800,000. We are intending on guaranteeing subsidies for as long as the statutes are not amended by some subsequent government in the far distant future.

The minister has the foresight to come to grips with the capacity problems of the west. I should like to give two analogies. I come from the province of Manitoba where at one time I was a city councillor. In 1982 we have an aquaduct in the city of Winnipeg from Shoal Lake which was built in the early 1900s. This aquaduct was to serve the city for only 30 years, and even today it is more than adequate to serve a population of over 600,000 people in metropolitan Winnipeg. Now people say, "What foresight our forefathers had in designing that aquaduct!" Today some would say that they were stupid to

make it that large. But in retrospect it is realized that they did a wonderful job.

In 1950 the city of Winnipeg was encountering floods. At that time everyone made fun of Senator Duff Roblin who was the premier of Manitoba. They said that he wanted to build Duff's ditch and that it was a waste of money. He built Duff's ditch at a cost of \$80 million, and I cannot count the number of times since the construction of the floodway around the city of Winnipeg that the citizens have been spared many millions of dollars by not being flooded. This is thanks to Duff's ditch and Duff's foresight. Now they want to erect a plaque to honour him. We should realize today that the Minister of Transport has the foresight to know the transportation capacity which production in the west warrants. Perhaps we should take the opposition's point of view. Perhaps we should stick our heads in the sand like ostriches and say, "Maybe if we keep quiet, the problem will go away". Perhaps someone else will come along and pay for it. We are facing reality.

From 1940 to 1970 grain was sold at \$28 to \$67 per tonne. Producers were paying \$4.78 to ship their grain at the Crow rate or approximately 7 per cent of their production. In 1980 when wheat was \$219 per tonne, producers were still paying \$4.78 or 2.2 per cent of their production to ship grain. It is perfectly in order that consultations are ongoing and that Dr. Gilson is heading these negotiations. The Minister of Transport should be commended for what he is doing.

I should like to refer to some quotations which appeared in the newspaper. Ted Turner, president of the Saskatchewan Wheat Pool, as reported in the February 18, 1982 edition of *The Western Producer* said:

—the Pool will enter into discussions with Gilson.

Wallace Fraser, president of the Manitoba Wheat Pool, as reported in the same issue, said:

We are pleased that a process has now been set down for reform, since the problem of rail capacity is becoming more real all the time.

Allan Macpherson, president of the Alberta Wheat Pool, as reported in the same newspaper, said:

—Alberta Wheat Pool will take part in the coming negotiations in a positive manner. We are happy the government has committed itself to making the annual gap payment.

In the same February 18 edition of *The Western Producer*, the Alberta economic development minister, Hugh Planche, and the Alberta agriculture minister, Dallas Schmidt said:

—the federal proposal addresses "one of the major concerns of the Alberta government and provincial farm organizations through the removal of economic distortions created by the present statutory rate".

Also the article indicated:

The Alberta ministers said the federal plan takes an important step to resolving the economic distortions caused by the different rates for processed and raw products.

It also begins the process of determining how to expand the rail capacity vital to future economic expansion in the west.

The Minister of Transport is seeking to give the Canadian railway system the capacity to provide for other agricultural products and to take care of the diversification and processing of products. We look forward to the transportation of coal,