

*Western Grain Transportation Act*

which met yesterday. Therefore, I do not fall into that category.

I will continue reading from where I left off:

—as those revenues are adjusted in accordance with the grain tonnage forecast for that crop year provided by the Administrator.

(2) For the purposes of subsection (1), 'base year revenues' means the amount obtained by multiplying the rates applicable to the movement of grain under the tariffs of rates of the railway companies as derived from the base rate scale, taking into account sections 44 and 46, by the number of tonnes of grain actually moved by the railway companies from each point of origin on a line of railway in the Western Division in the most recent base year.

I ended by asking Mr. Lawless how much that is a bushel. He answered, "If I could tell you, Mr. McKnight, I would." That was from the President of the CNR. It is a simple rate and something which anybody should be able to understand.

There are other problems with the rate. My time is coming to a close, and I would like to put this on the record for the Minister to consider. When we consider the movement of grain with respect to East-West, there is a considerable difference. The Bill states in Clause 2:

'movement', in respect of grain, means the carriage of grain by any railway company over any line of railway now or hereafter constructed

(a) from any point on any line of railway west of Thunder Bay or Armstrong to Thunder Bay or Armstrong,

That is all it says. The second paragraph states:

From any point on any line of railway west of Thunder Bay or Armstrong to a port in British Columbia—

But it does not stop there. It goes on to say: "for export". And paragraph (c) states:

From any point on any line of railway west of Thunder Bay or Armstrong to Churchill—

It goes on to state, "for export".

That means that feed grains that are destined to be consumed in British Columbia do not travel at the statutory rate, whatever that may be. It means that only feed grains traveling east out of western Canada travel to Thunder Bay at a statutory rate, with contributions from the federal Government in the form of subsidies. But the feed grain consumers of British Columbia pay the compensatory rate from wherever it travels in western Canada.

If the Minister were concerned about designing a Bill that would be fair to all Canadians, surely he would ensure that the people of British Columbia have the same protection as the people east of Thunder Bay and Armstrong.

When we became involved with this Bill, the Progressive Conservative Party had five principles on the Crow rate that were well established and well known throughout Canada. I would like to cite those principles. First, grain producers must have a statutory freight rate which preserves the benefits of the Crow and must be protected from open-ended escalation. This Bill certainly does not do that.

Second, the Government of Canada and the railway have a continuing obligation to provide a special low rate to assist producers competing with subsidized grain export nations. This Bill does not do that.

Third, producers should be guaranteed an efficient, cost-effective and reliable grain transportation system. There are no guarantees to the producers in this Bill.

Fourth, railways should receive adequate and fair compensation for the movement of grain to provide the necessary capital and maintenance of plant and equipment. We believe that this Bill is only too generous to the railway companies, with their 100 per cent, 20 per cent and 20.5 per cent return.

Fifth, the distortion of the low freight rates in grain and oil seeds vis-à-vis processed products should be removed and the natural advantage retained. As I said with respect to British Columbia, the natural advantage in western Canada of shipping to feeders in B.C. is certainly not contained in this Bill.

Directly south of Saskatchewan is the State of Montana. The producers in Montana have continually paid a full compensatory rate for the movement of their goods. If one were to drive through Montana one would see thousands of white-faced cows, thousands of acres with cattle on it, but not one processing plant. That processing in Montana is done in Omaha. Therefore, how can the Minister of Transport tell the people of western Canada that by charging a compensatory rate for the movement of grain, processing will build up in western Canada? We have more processing in western Canada now than any of the states south of us. I look forward to taking part in this debate at a later date.

• (1430)

**Mr. Lewycky:** Mr. Speaker, the Hon. Member made what I thought was a serious accusation with regard to the shortcomings of the Bill when he said that the Bill was imperfect. My recollection of Standing Order 73 is that it says that a Bill shall not be introduced if it is blank or imperfect. Is the Hon. Member suggesting that the Minister of Transport (Mr. Pepin) is obligated to withdraw the Bill if it is imperfect? Could the Hon. Member elaborate on this point?

**Mr. McKnight:** Mr. Speaker, without wishing to take the place of the Chair, I would like to say that I would have no objections if the Minister of Transport felt that he could withdraw this Bill and bring it back in a more perfect form.

**Mr. Pepin:** Mr. Speaker, partly because this is Friday afternoon and the time is conducive to this sort of thing, would the Hon. Member like to reason with me on the concept of a safety net? I am sure he has been to a circus. We have all been.

**Mr. Bosley:** That is what we have here.

**Mr. Pepin:** What is the distance between the wire and the floor at which the safety net is located?

**Mr. McKnight:** Mr. Speaker, I find it strange that the Hon. Minister of Transport would equate a circus with the serious production of food in western Canada and the feeding of hungry people around the world. But when the Minister speaks of the distance of the safety net, let me say to him that the distance should be adequate to protect those who are going to