

Government Orders

This is another area where the Liberal government will have to be tremendously diligent and innovative. It has to find a way to pay that subsidy out so that it does not distort the value of land, it does not distort taxation to municipalities because we could be find a number of different real problems.

As I stated, under GATT countries have agreed to reduce their export subsidies by 36 per cent. There are several questions that arise in this bill. I know that farmers in my riding will have a number of concerns.

For example, what safeguards are there for farmers that the railways will be obligated to move grain to other ports? Also, what safeguards do we have that our rail cars will not be going to the United States?

Last year was a disaster for grain transportation. One of the main factors was that the railways decided to chase business in the United States. With the longer car turnaround cycle, this took needed grain cars out of the picture and caused serious ramifications. What assurance do we have that this will not be repeated?

There are also reports that the railways do not have enough engines. I would like to know if anyone has looked especially at this problem. We have the rail cars but we do not have the engines to pull them. That does not give us a very effective transportation system.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, I would like to know this. You indicated earlier in your speech that grain or whatever agricultural product is being transported should be moved by whatever means to whatever destination that the market sees fit.

At the end of your speech, you are criticizing the rail companies for—

The Acting Speaker (Mr. Kilger): Order. I would like to interrupt for a brief moment to remind members to make all interventions through the Chair and not directly to each other across the floor of the House.

Mr. Kirkby: Mr. Speaker, the hon. member mentions that the market should determine by what mode of transportation grain or agricultural products should be shipped. Near the end of his speech he indicates that there is a shortage of grain cars because the companies have decided to use them to ship grain into the United States. It would suggest that he has been quite inconsistent in his approach and I would like him to explain the inconsistency.

Mr. Hoepfner: Mr. Speaker, I do not think I was inconsistent in my remarks. The reason why these grain cars have been diverted to the United States is that under the Western Grain Transportation Act the railways get paid on the amount of grain they move.

However if we do not have the engines to pull these cars, it does not do us very much good to try to get the amount of cars on the system that are needed. Therefore these cars that provincial governments, the federal government and the wheat board bought for the transportation system have been diverted across to the U.S. to gain income. They could not be used in Canada because of the lack of engine power.

It is financially beneficial to the railways to do that. Freight rates in the United States, the pace at which they move their cars, the time of turnaround for these cars are far superior to the Canadian system.

We exported some grain last year and the agent who was shipping that grain further down the line paid from \$250 to \$750 per car according to the need that he had for them. There was a tremendous amount of incentive to move cars that the railways could not use to the U.S. because of a lack of engine power and benefit financially by probably millions and millions of dollars.

• (1255)

[Translation]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I wish to thank my colleague from Verchères for his excellent job in directing the debate on Bill C-57. I want to point out at the outset that the time has finally come to deal with the important matter of GATT.

Bill C-57 allows us to question some aspects of this agreement which remain what I would call grey areas. The purpose of my comments is not to oppose this bill, but to raise questions to show the members of this House that it is essential that we have enough time to consider this bill before approving it.

Quebecers have been open and in favour of free trade for a long time. You will recall that Quebec stood alongside the U.S. among the first free trade supporters and that, without their support, Canada might have refused to sign the free trade treaty. You certainly remember that, in the 1988 election, when the free trade agreement with the U.S. was the main election plank of the Conservative Party led by Mr. Mulroney, the former Tory leader found his staunchest allies in Quebec.

Despite the misadventures encountered by the Conservative Party during its first mandate, Quebecers gave their overwhelming support to the Progressive Conservative Party precisely because it advocated free trade with the U.S. Quebec showed consistency by greatly facilitating the signing of NAFTA, and it now favours extending this agreement to other countries in Latin America.

It is not hard to see the logic behind this attitude. It is crucial for Quebec's small and medium-sized businesses to secure access to larger markets. Like all Quebecers, I am prejudiced in favour of free trade and therefore in favour of Bill C-57 before us today. What I would like, however, is enough time to look at it carefully, and the Liberal government's railroading of such an important bill is unacceptable.