

Western Grain Transportation Act

part of Canada, it should listen carefully to the advice coming from Members who live there. Let me repeat that as Government Members take this advice into account they should remember that Justice Hall is not a Member in this Chamber who is taking part in our controversial system but a Canadian with the good of Canada at heart. He has given this advice to all of us. Since my time is almost up, I wish to go on the record to state seriously that the advice given by Chief Justice Hall in his report to all Canadians should be seriously considered by the Government.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, this public and parliamentary debate is now being seen in the West as legislation primarily aimed at killing our statutory Crow freight rate. Furthermore, it is unfortunate that Bill C-155 is not seen as at least an attempt at new legislation to improve our grain handling and transportation system in western Canada.

Surely this is the point and purpose of this entire debate: to replace the present Crow with a new policy that will stand the test of time, perhaps for another 86 years if necessary.

The opposition to Crow reform is primarily based on the concept that western grain producers cannot afford any increase in transportation costs. That is the basis for their opposition reduced to a nutshell. It is so regardless of whether that increase is two times the Crow or perhaps five times, comparisons which have been made freely in this debate.

This is the position of the National Farmers Union, the three Prairie Wheat Pools and the New Democratic Party. This was the thrust of their persistent lobby here in Ottawa over approximately three straight months, of which I am sure all Members are aware.

Some Members may have been visited by representatives of the National Farmers Union and three ladies in particular who represented their interests. They visited me in my office and gave me their point of view. I found it rather interesting. They persisted in their view that they could not afford the cost of higher rates. They said over and over again that grain producers could not pay any more toward higher freight costs.

Therefore I posed a question to these three NFU representatives. I asked them to assume that we will keep the Crow. How will we finance the ever-increasing grain handling deficit? I gave them some examples such as the loss in moving grain by rail, that is, the difference between the actual cost of moving grain and the statutory Crow derived revenue that comes from that .5 cent per tonne mile rate. I asked who will continue paying for hopper cars which are now paid for by the taxpayers of Canada through the federal Government, the grain farmers themselves through the Canadian Wheat Board or from the various western provincial Governments of Alberta, Saskatchewan and Manitoba. I asked who will finance the necessary Prairie Railway Rehabilitation Program and what would happen to the CPR's ten miles of mountain tunnel and the CNR's double tracking through the mountains that is now expected to be a major contribution by both railways. How

would those costs be met without new and higher grain rail rates?

There is no guarantee that these rail line improvements can be financed and built, without a new grain handling and rail transportation system to replace the Crow. I repeat that there is no guarantee that these costs will be picked up by the federal Government or that the present program for hopper cars and rail line rehabilitation or the annual grain freight deficit of approximately \$400 million will be continued at taxpayers' expense. Indeed, we are being very naive if we believe that.

If this is what "keep the Crow" means, then surely it also means that we are headed for state managed farms or the feudal system of the Middle Ages. I do not like either one of those concepts.

The Gilson recommendation to the Government almost a year ago was a good report. It was prepared by the best brains in western Canada. They were not politicians but practical, experienced farmers and livestock people. They persisted and eventually were able to coalesce around the reality that something had to be done, even though they initially could not agree what that something was that had to be done. Their consensus became a compromise eventually or what I term a trade-off which fixed the cash surrender value of the Crow at \$651 million per year to be paid mostly to the grain producers on the western Prairies after a phased in payout over the six-year or seven-year suggested time frame of the trade-off. The trade-off also provided for a new blended grain freight rate to be determined on a cost basis every spring. It follows that this proposed rate cannot be a truly statutory rate since it changes every year, but it would be a rate resulting from a statutory process. It is important that we remember that difference.

● (2150)

I was personally very supportive of the Gilson recommendations, and I still am of the original recommendation in June, 1982. It was a well considered compromise by the people who knew the situation and devised a solution that received broad support in western Canada. I was also able to support the February 1 fifty-fifty program of the Minister of Transport (Mr. Pepin), although, I will say, somewhat less enthusiastically. But I was able to support the statement of the Minister at that time. This statement proposed that the Crow benefit of \$651 million per year be split equally, with half going to the railways and half to the grain producers. It was shortly after this February 1 statement that the intense political lobby amounting to almost outright blackmail began and it came from two sources. The first was the three prairie Wheat Pools, Alberta, Saskatchewan and Manitoba, which favoured the "pay the railway only" proposal. The second was Quebec's UPA, the Quebec farm umbrella organization, and the Quebec Liberal caucus. Both supported the Crow benefit going to the railways only.

Finally, two Crow debate developments took place that changed everything in western Canada. This was the turning