

Transportation of Grain

Let me ask the hon. member who spoke this afternoon on behalf of the New Democratic Party and who asked us to implement the recommendations of the Hall report, is that a conclusion he would support? Is he asking us by implementing the Hall report, to pay the subsidy directly to the railway companies and not to the farmers? I would ask him, if this debate is reintroduced in the House at a later time, to clarify his position on what I think and others believe is the seminal issue of this re-evaluation and reshaping of the Crow.

If I may continue to quote the Hall report, it reads:

The very idea of sending out cheques to 160,000 farmers is appalling.

Mr. Althouse: You have got it.

Mr. Kelly: The hon. member says that I have got it. I assume then that the money should be paid directly to the railway and not to the farmers.

Mr. Althouse: Let the farmers set the rate.

Mr. Kelly: I would point out that the west does not speak with one voice on that issue. There are others in the west who would disagree with the decision of the member opposite.

In an editorial which is found on the last page of the *Alberta Report*, written by Mr. Ted Byfield, who, I am sure, is as authentic a spokesman for the west as the hon. member opposite is, the author argues the very reverse. He argues that we should not be paying any money to the railways but we should be paying the money to the farmers. He believes that as adamantly as does the hon. member opposite believes in his argument. I quote now from the *Alberta Report*, dated May 10, 1982, as follows:

—Mr. Pepin could choose instead to pay the subsidy, not to the farmers, but to the railroads, requiring them as a condition to leave the old Crow rate in place and thus continue working the ravages it has wrought in the past. This, of course, might appear politically attractive. But it would remain economically calamitous.

I have several other points on the Hall commission report. In an earlier section of the Hall report the statement quoted earlier from page 337 appears at variance with the suggestion that the producer should pay more to move his grain. Second, the question of payment to the railways or payment to individual farmers is again one that the government feels should be decided jointly with the producer, and this is another reason for establishing the Gilson process, the process I hope the hon. gentleman opposite will support whatever the conclusions might be.

We believe on this side of the House that potentially it is not a difficult task to send out cheques to a large number of people. It is not an option that we should disregard before the Gilson process has rendered its decision. We believe that because the Canadian Wheat Board already does this in the form of final payments, while family allowance cheques represent another good example of multiple mailings to many households.

• (1650)

Finally, the summary on page 545 of the Hall report indicated:

The commission recommends:

- (1) The retention of the Crowsnest statutory rates.
- (2) That the difference between the statutory rate and the cost of transporting grain be paid directly to the railways.

This supports the statement on page 337 which, as has already been noted, is at odds with the earlier comments on the subject.

Depending upon the interpretation given to the Hall commission comments, it could be argued that the government is taking account of its recommendations in its policy on grain transportation as announced on February 8. The government has already stated clearly, precisely and firmly, that there will be statutory guarantees. The government will continue to subsidize grain transportation. Variable rates will not be allowed unless the producer agrees that they will not be prejudicial to his interest. Whether payment is made to the farmer or to the railways will be determined following consultation and negotiation with the parties involved.

Everyone in the House would agree that the comments of the Hall commission must be read taking into account the purpose of the commission. The terms of reference of the commission make it quite clear that the primary purpose of the inquiry was to examine the prairie railway branch line network and to make recommendations as to its disposal—either to be retained, abandoned or otherwise disposed of. The bulk of the commission report addressed this issue, and the Hon. Emmett Hall and the other four commissioners should be congratulated, having carried out such a comprehensive and exhaustive examination of the prairie rail network.

It has even been suggested that the comments on the statutory rates were in effect outside the terms of reference of the inquiry. This could be a somewhat harsh interpretation, although an examination of the terms of reference would suggest that the only part which could be used for comment on the statutory rate is No. 8 on page 11 which reads as follows:

Without limiting the generality of the foregoing the commission may make supplementary recommendations which could relate to:

- (8) other matters which could relate to other matters relevant to the inquiry.

The Hall commission report contained a good chapter on economic development and pointed out the effect of a number of transportation distortions. It did not link these directly to the Crowsnest Pass rate, however. The conclusion and recommendations reached by the commission—and again they should be read in relation to its terms of reference—were by no means clear. For example, page 534 dealt with the flour milling industry as follows:

—that the flour milling industry in Canada be permitted to enjoy the natural geographic advantage of locating in western Canada.

Page 535 dealt with the rapeseed crushing industry as follows: