

should be 10 per cent or 12 per cent. When asked why it should be 10 per cent or 12 per cent, he said that if it were 7 per cent or 8 per cent, it would be stabilizing. What a terrible thing to have, some stabilization of costs in the industry, a stable cost of which the producers would know in advance and which would never go above the traditional cost! We would like to see such stabilization. The Minister could consider stabilizing the freight increase as it applies to the movement of grain.

There has been statutory protection to the producers of grain. There is no longer any statutory protection in this Bill. There is a statutory framework, which is entirely different. If we consider the \$651.6 million which the Government will contribute in constant dollars, and if we consider the last ten years of inflation at around 10 per cent per year, what will be left of \$651.6 million? It will disappear. At the same time, the Government is requesting that the producers start to pay up to 3 per cent of the inflation and, in 1985-86, 6 per cent of the inflation. I am sure that the Minister of Transport, being a fair man, would recognize that if it is incumbent upon the producers of grain to share in the cost of inflation, the Government should also share in the cost of inflation.

**Mr. Pepin:** It does.

**Mr. McKnight:** But only if it is over 6 per cent, only if it is over 3 per cent.

**Mr. Pepin:** So much the better if it is not.

**Mr. McKnight:** I would like the Minister of Transport to explain to the producers of grain in western Canada how they contribute to inflation. How does a grain producer add to the cost of inflation? How does he establish and inflate the price of his product when he sells it on the world market? When his costs go up ten per cent, he has no control over the price of his product, the return for his product. He cannot say, "My cost has risen 10 per cent, so I will ask 10 per cent more on a bushel of wheat this year". As a matter of fact, this year, the return to the producer has fallen from \$5.17 down to about \$4.63. The producers of grain in western Canada cannot contribute to inflation because they do not set the price of the product they sell.

● (1420)

When this Bill was to be introduced we heard that there would be guarantees on the movement of grain, guarantees to which the railways would have to be committed and guarantees with penalties for lack of performance. There are only guarantees for the railways and the Government, and none for the farmers.

The guarantees have been changed to "objectives". We now see objectives rather than guarantees of service. The Bill states that the penalties may be implemented after 1985-86, but the very people who would suffer from the penalties sit on the senior Grain Transportation Committee that will establish whether there should be penalties. I find that rather strange.

### *Western Grain Transportation Act*

Those penalties will be tallied up until 1985-86, but they will not be levied. In that period the farmers will have lost the protection which they had in the past. But the Bill says that they may be implemented after 1985-86.

As I have already indicated, performance objectives could be cancelled. Clause 18 of the Bill states that the Grain Transportation Administrator, if he deems it advisable to recommend the Minister to cease any activities related to so-called performance objectives, may do so.

I have described the conflict of interest, as I have seen it, between the railroads, the elevator companies, the crushers, and the Dominion Marine Association. The most severe sanctions that could be implemented against the railroads would be up to 40 per cent. That is not a severe sanction when more than half of what the railroads could achieve under the changes will be left with them.

There is an air of uncertainty since the annual rate scale used to set the freight rate which the Canadian Transport Commission is empowered to announce under the provisions of this Bill has already been prepared. We are told that that rate scale has been established now, so why will they not tell us now what it is so that it can be included in this debate?

**Mr. Pepin:** I will tell you in committee.

**Mr. McKnight:** The Minister says that he will tell us in committee. We are here to debate a Bill but we are only debating part of it. The rest of it must be debated in committee.

**Mr. Pepin:** I will have it then.

**Mr. McKnight:** When the information is available, which it is, why is it not available to those of us in the House so that we can carry on a debate knowing more of the facts than we do?

How will farmers pay in the future? How will they know what they will have to pay? My colleague, the Hon. Member for Vegreville (Mr. Mazankowski) read a clause of the Bill regarding payment. When the CNR appeared before the Transport Committee yesterday, I read the same clause to Mr. Ron Lawless, President of CN Roads. It states:

The annual rate scale in respect of a crop year shall be determined by multiplying the amount per ton for the movement of grain over each range of distance set out in the base rates scale by the quotient obtained by dividing the estimated eligible costs of the railway companies in respect of that crop year less the CN adjustment in respect of that crop year by the base year revenues within the meaning of subsection 2—

**Mr. Flis:** Mr. Speaker, I rise on a point of order. When I was quoting from the Bill yesterday, the Speaker drew to my attention that I was not allowed to do so. Now, I ask for fairness.

**Mr. McKnight:** Mr. Speaker, I hope this remark is not taken from my time, but in order to help the Chair may I point out that the Speaker said that the Hon. Member for Parkdale-High Park (Mr. Flis) was quoting from a clause of the Bill. For his information, I am quoting from a transcript of the proceedings of the Standing Committee on Transportation,