

*Transportation of Grain*

In utilizing the grain terminal in the Port of Churchill the Canadian Wheat Board is cognizant of its responsibility to producers to export grain in the most economic way possible. Exports through Churchill during its short shipping season present particular problems in grain assembly. The preference of the board's customers for type of grain and port of loading has to be respected in what is now a highly competitive world grain market. In recent years, with the exception of 1980, Churchill has handled some 500,000 tonnes of grain annually. The Canadian Wheat Board's over-all export target for 1981-82 is 26 million tonnes, increasing to 30 million by 1985. Churchill should therefore at least hold its traditional grain tonnage. Every effort has been made to seek assurances from the Canadian Wheat Board's producer-elected advisory committee for the continuous support of Churchill through the export of grain. It appears essential, however, that other traded commodities should be handled through Churchill if the port is to become viable. Prairie provincial governments have been asked to encourage the movement of any traffic under their control through the port, for example, Saskatchewan potash and Alberta sulphur.

Turning to Prince Rupert, Ridley Island in the Port of Prince Rupert is being developed as a major ocean bulk commodity port, including a grain terminal. Three of four construction contracts let to date are completed. They were for waste disposal site containment dikes, a rail embankment test fill, and site clearing. The contract for site grading and rail embankments was awarded in August, 1981, and is scheduled to be completed by February, 1983. British Columbia and the Government of Canada, through DREE, are cost-sharing the construction of an access road scheduled for completion in June, 1982. Design of other infrastructure is being done by the National Harbours Board whose financial involvement in site development for the grain terminal is estimated at \$37.3 million. The consortium of grain companies which will build and operate the terminal is now evaluating the construction contract bid.

In sum, Mr. Speaker, since this motion was last debated two years ago great progress has been made in the development and improvement of the grain transportation and handling system. The Government of Canada, the Canadian Wheat Board, the railways, elevator companies, grain handlers and producers together have performed extremely well over the past two years in producing, transporting and marketing Canadian grain. With the promise of higher prices the future looks bright indeed.

**Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, this is a very important debate and for that reason I would like to take this opportunity to refresh the memory of the House by reading the motion.

**Mr. Nickerson:** You couldn't think of anything else to fill up the time with.

**Mr. Wilson:** You have 22 minutes.

**Mr. Kelly:** It reads:

That, in the opinion of this House, the government should consider the advisability of implementing the Hall Commission Report, including major recommendations to increase use of ports at Churchill and Prince Rupert, guarantee the Crow rate for the farmer, extend the Crow rate to the processed equivalent of raw materials, pay the railways directly for their losses, make the railways fix up their tracks and buy hopper cars, and give the Canadian Wheat Board more power to control grain movement.

**Mr. Nickerson:** Now read it in French.

**Mr. Kelly:** Mr. Speaker, this omnibus motion has several interpretations. It could apply specifically to the Hall recommendation relating to the Crow, or it could apply to all the recommendations of the Hall commission. Let me assume the former for the purposes of this debate.

• (1640)

As you undoubtedly know, the Hall report has very little to say on the statutory rates: there is just over a page, found on pages 336 to 337 in Chapter 10, and four lines in summary on page 545. With such a small coverage, the actual conclusion is not clear. On page 336 of the report, it reads:

Regardless of what rate may be set for the transport of grain to export position that rate must be statutory not variable.

There is nothing in the February 8 announcement that would contradict this, although it is not clear if the whole interpretation of the term "variable rate" is the same as is used on the prairies today. I am sure the House could use the guidance of hon. members opposite to help us clear up that misinterpretation or differences of interpretation. On page 336, we find the following:

How the difference between the new rate and the Crowsnest Pass rate will be apportioned between the government and the producer is, of course, a matter for government decision. The Commission feels that the government must continue to subsidize the transportation of export grain and that the full cost, as deemed by the Commission on the Costs of Transporting Grain by Rail, must not be imposed on the producer.

Again there is nothing in the February 8 announcement that would contradict this. It should be noted that the commission implies that the producer should pay more than he is paying at the moment. The government does differ from the Hall commission in one important respect, however, in that it has opened a dialogue with the producer for determining how the additional costs will be apportioned rather than impose them without consultation.

I would hope that last statement of mine would give the lie to some of the claims we have heard in earlier debates this afternoon by members opposite who accuse this government of ignoring the interests or the wishes of the electorate. This is an excellent example of how this government tries its very best in all issues to seek the guidance of the public and in particular of the interests affected by the decision before that decision is made.

On page 337 of the Hall report, it states:

The Commission recommends that the difference between the Crowsnest Rate and the rate determined through costs found by the commission on the costs of transporting grain by rail should be paid directly to the railway, and not to individual farmers.