

Transportation

Vegreville, that this is not an inquiry. This is a negotiation. Everyone—brother, sister or his mother—whom I have met in the west has said to me, “Pepin, no more royal commissions. What we need is negotiation; get on with it”. The mention of the lack of an inquiry will not be particularly welcomed in the west. Westerners think, generally, that the time has come to negotiate. The time has come to deal. This is what the interested parties want and this is what we are giving them.

The hon. member for Vegreville says the terms of reference are not clear enough. The statement we made on February 8 in Winnipeg was to represent the terms of reference of Dr. Gilson. In the coming days I intend to be even more specific and refine further the job he has been asked to do, and I will table that document in the House in due course.

The third point the hon. member makes has to do with our not making adequate provision for producer participation. As I have already indicated, I cannot accept that. Everybody says, “Get on with the job.” Everybody would like to be there, obviously, but the interested parties themselves, grouped in the Western Agricultural Conference and in the Prairie Commodity Coalition, will select the members they want to be at the negotiating table with Dr. Gilson.

Mr. Hovdebo: Anyone from the farmers' union?

Mr. Pepin: Anyone who wants to negotiate. As I understand it, the National Farmers' Union is not too keen on negotiating. They are like the New Democratic Party. They say, “No, no, no; no change.” They are reactionary. Hell will freeze and they will not change. Anyone who wants to negotiate is allowed to be represented at the table, and Dr. Gilson will report in due course on the consensus he obtains so everyone will be in a position to compare that with what the different farm organizations have said before, and everyone will be in a position to compare that with what the government will come up with by way of a final policy position on this matter.

My friend the hon. member for Vegreville also regrets that there was no reference to Parliament. I do not know what he has in mind. Does he have in mind that the negotiations should have been given to a committee of Parliament? I do not think he has that in mind. Does he have in mind that we should have had a meeting or a set of meetings in the Standing Committee on Transport to look at the documents?

Mr. Mazankowski: Just like the air policy.

Mr. Pepin: Indeed, we could do that; I have no philosophical opposition. I just want to remind the House that in due course the statute will be presented to the House and there will be ample opportunity to debate it.

● (1420)

Mr. Mazankowski: Just like the air policy.

Mr. Pepin: There are three related matters that I should like to raise in the ten minutes left to me, Mr. Speaker. The first concerns the guarantees that the railways will be asked to provide. A number of questions were raised this morning. Some people are afraid that the government is not going to protect the farmer against the “ogre-ness”—if that word is English—of the railways. Let me emphasize the fact that the original Crow rate was not a subsidy, it was a protective system. We want to keep it that way.

What we will have in the future is a statutory framework instead of a statutory rate. The statutory rate was very comfortable but my friends in the NDP know that the railways, being obliged to carry grain at that cost level, did not do it with very much enthusiasm until the federal government brought in plans for the rehabilitation of branch lines and started to buy hopper cars. In other words, the railways are not held to the impossible. As a matter of fact, according to some decisions of the Supreme Court they can only be held to a reasonable effort. A number of people have said that the Crow rate died when the federal government started buying hopper cars, and a lot can be said for that view.

I want to emphasize that we are going to have a statutory framework on grain transportation in western Canada. This will include, first of all, a mechanism or process or formula for the determination of a compensatory rate. That will most probably be in the bill.

Second, there will be a set of guarantees with respect to railway performance, railway investment and developmental rates for products, etc. Third, there will be a right to access to data. A monitoring system will be set up, possibly with a set of rewards or penalties, for the railways regarding their guarantee of performance and investment.

May I repeat that the system that will come out of this exercise will be a statutory one. It will be better than the statutory fixed rate the western farmer has now. Most of them realize that the fixed rate is not realistic any longer. That is what I wanted to say about railway guarantees, Mr. Speaker.

The next item I should like to tackle is the question whether the farmer can afford to pay more than the Crow rate, and in that regard I should like to make five points for the record.

First of all, there is no doubt that some farmers are going to be affected—I recognize that. So the government is being quite generous in this instance by allocating \$1.35 billion for this purpose in the budget. Second, in the past the western farmer has paid more for transportation of grain, proportionately, than he pays now. There was a time, in 1958, when the Crow rate represented 75 per cent of the true value of transportation. There was also a time, in 1960, when transportation represented 8 per cent of the revenue of the farmer for his grain at Thunder Bay. Now it represents only 2.2 per cent. One could make the case that there were times in the past