

Western Grain Transportation Act

On the leasing issue of the coal lands, it is obvious that the CPR has been well enough provided for until now. The 43 million and more acres of land it received is reward enough for preserving the statutory Crow rate. Why should the CPR receive more gifts from the people of Canada to bleed off to the subsidiaries under its blankets? There is no reason that the people in western Canada who produce the grain should pay again and again because of the tax base being drained off when the rich coal lands, agricultural lands and urban lands were given to the CPR in the beginning.

The third issue is the statutory rate itself. We in the NDP do not believe that the CPR should get a cent more from the people of Canada without having equity in the company. On that issue some people would say that the CNR is not any better. Why should we have equity in CPR? I say to you, Mr. Speaker, and to the people who may be listening tonight, that the CNR was formed in 1923 by a Government that did not wish to see a bunch of private rail companies that had received handsome rewards from the people go into bankruptcy. That would have been a disgrace for the Government. It did not want to allow those companies to go into bankruptcy and rob the people who had invested their hard-earned savings in them, so the Canadian National Railways was formed. At the outset in 1923 it had a debt in excess of \$1 billion. That is a lot of money even today, Mr. Speaker, let alone 50 or 60 years ago.

As the Hon. Member for Northumberland-Miramichi said, to take the rate in isolation is archaic. But you cannot take it in isolation, Mr. Speaker. You must look at all the other agreements that went with it to provide the statutory rate, the Crowsnest agreement, so the farmers could be competitive domestically and internationally.

If the Crow rate reaches what the Minister of Transport (Mr. Pepin) has proposed by the year 1990, it will mean millions and millions of dollars extra cost to the farmers in the constituency I represent. They cannot afford that, Mr. Speaker. Farm bankruptcies have increased by 130 per cent in the last year. If the freight rates go up as much as is proposed in the Bill, the price of grain will have to go up accordingly. They would not really be competitive because they would be outpricing themselves in the international markets of the world. They would not be able to sell the grain they produce right now in Canada, and we would not have that balance of trade to which the farmers of western Canada contribute in excess of \$6 billion.

● (2230)

We in the New Democratic Party say it is a bad Bill. It should be split up. Certainly, the upgrading of a rail transportation system should not go on the backs of western Canadian grain producers.

Mr. Joe Reid (St. Catharines): Mr. Speaker, after all that has gone on heretofore with respect to Bill C-155 one might readily ask why I, coming from the heart of Niagara, the riding of St. Catharines, should rise to speak on this Bill. Let me say, Mr. Speaker, that the people of St. Catharines suffer from the same abuses and afflictions perpetrated in this coun-

try on all the other regions. In particularly, they now suffer from the same power abuses inflicted upon this House. My constituents in St. Catharines pay taxes as well, and since this Bill has been so aptly described as a "railway relief Bill" I would not be doing my duty if I did not rise to speak in opposition to it.

In addition, Mr. Speaker, St. Catharines is an industrial community. If the people of the West are suffering, as they are, from the abuses of the national energy policy, and if they suffer more by reason of the passage of this Bill, then I ask who will be purchasing those consumer goods which we in the Province of Ontario produce and want to sell? Where will those jobs be found for the numbers of unemployed who exist in my riding of St. Catharines? This Bill gives me the rare privilege of speaking on behalf of two communities, St. Catharines and my home community of Govan on the Prairies of Saskatchewan where my roots have been established, and where the people have for a long time suffered the infliction of these abuses. Now there is the possibility of one more. I would be betraying my roots, Mr. Speaker, if I failed to rise in opposition to this inflammatory legislation.

I, along with all other Hon. Members of the Opposition in this House, cannot think of a worse time for the Government to introduce changes to the Crow rate. Canada is only now, slowly and haltingly, starting to recover from the worst recession since the Great Depression of the 1930s. Having been born and raised in Saskatchewan I know what the Depression of the 1930s was all about.

Grain producers, like everyone else, have suffered enormously. In 1973-74 farmers were receiving \$4.57 a bushel for No. 1 hard wheat. This fiscal year, the initial price for No. 1 wheat has been set at \$4.63, an increase of six cents over what it was ten years ago. Inflation over that same period has risen 135 per cent. In other words, Mr. Speaker, the price of a bushel of wheat today should be in the order of \$10.75 just to track inflation. It is not yet over the \$5 a bushel mark. Needless to say, the western grain farmer has found it difficult simply to get by.

Net income in 1982 fell by 35 per cent over 1981 and the situation is not expected to improve this year because grain prices are down comparatively. By any reasonable yardstick, or should I say, metre stick, now is not the time to set in place a freight rate increase that will wrench some \$155 million out of the prairie economy by 1985-86. Yet this is what the Government is proposing to do. I know the Government is disputing that figure, but I ask, on what basis? The Government claims that the prairie farmer will not be losing out because wheat prices will reach \$12 a bushel by 1990. What is the magic in \$12 a bushel? Why stop there, Mr. Speaker? Why not set the figure at \$24 or even \$36 a bushel and tell Canadians that the prairie farmers will soon be millionaires, so what is their problem in paying the freight rate? The simple fact of the matter is that no one seriously believes that grain prices will triple in under seven years. If the Government chooses to be optimistic about this that is fine, but why bankrupt the prairie farmer? It is abundantly clear to anyone