

Western Grain Transportation Act

would normally go to families and local communities will not be there. Sure, we will have rationalization. Only the large operators will survive, but at what cost? At the cost of depopulating the West. I say that that is absolutely unacceptable. As one farmer said to me the other day, "If they force us off the farm, where will they put us all?" Where indeed.

The Minister says he will now give us a safety net of 10 per cent—or did he say 12 per cent—of the export price. The new freight rate will be tied to the price of grain. I say to the Minister that that still means five times Crow by 1990. Simply put, the Minister's economists and lawyers may have had a field day putting this proposal together, but they took little note of the social and economic toll it would take in western Canada.

Another aspect of the plan which causes me concern is the imposition of variable rates into the freight rate equation. Economically it probably makes sense. The costs on the main lines are lower, the quantities of grain to be moved are potentially greater, therefore a discount should be offered to reflect the economies of scale.

What it means to people living on the branch-lines, however, is that in order to obtain this discount they will have to haul a considerable distance to the main line. Not every farmer will be able to do so, simply because of the costs involved. The larger operator will be the one who can afford the whole process. But now that he and three or four other large operators in a given area are no longer hauling to the local elevator, that elevator becomes less and less viable. If that elevator closes, many of the smaller farms will go as well, simply because the increased costs of hauling to the next point are unbearable.

Who buys out the smaller farmers? The large operators. What happens to the local community? It loses family after family. It loses its local store, its high school and its hospital. With fewer people in rural areas, the cities and the service centres will undoubtedly suffer. This is why we see the cities of Regina, Saskatoon, Prince Albert and Moose Jaw voicing such strong concerns. This plan has an impact on the entire Province of Saskatchewan, not only the rural areas.

It is not as though the farmers of western Canada are receiving something in the Crow rate that other countries are withholding from their farmers. It has already been pointed out in this debate that Argentina, Australia, the EEC and the United States all give substantial subsidies both in transportation and in other ways in a competitive international market. This will work to the detriment of Canadian farmers and the Canadian economy generally. Our economy receives massive benefits from grain production, yet the country wants to hand over to the farmer completely the obligation to haul grain. Ironically, the nation with the greatest natural obstacles to the delivery of grain appears to be the least willing to assist its farmers in that delivery.

Many other criticisms could be levelled at this legislation. It is far from obvious why the legislation contains the 31.3 million metric ton limit. Why are we building in this disincentive for our farmers to produce? This blended rate seems like a

rather strange provision for a Government so bent on rationalizing the system.

The same can be said for the basic contribution of the federal Government. The \$651 million contributed will not be increased unless the annual inflation rate runs in excess of 6 per cent. While the farmer knows he will be subject to an ever increasing rate, a completely open-ended rate, the federal Government has designed for itself a fairly secure cost increase protection.

This legislation is unnecessarily complex. When the proposal was brought down, I said at the first opportunity on the floor of the House of Commons that it was a bureaucratic nightmare. This has been confirmed in the legislation now before us. For the average farmer or the farmer's lawyer to sit down and calculate a specific rate or even understand the formula used in this proposal is virtually impossible. Some have wondered why it has taken 90 years to change the Crow. It took 90 years just to devise this formula. The Minister's accountants and lawyers may think they are rationalizing the grain transportation system, but they would have to go a long way to improve upon the term of one-half cent per tonne mile in its sheer ability to be understood by those who work within the system.

I have concerns about the legitimacy of removing the protection of a statutory rate for our farmers, considering the degree of subsidization that occurs in major grain producing nations of the western world. If this rate were to be just a very minor cost increase for most farmers and were fixed at a statutory rate, many groups might consider it. But it is completely open-ended and will mean the difference between having and not having a margin of profit.

The Minister makes a lot of the fact that the Crow rate makes it less expensive to send a bushel of grain than to mail a letter. I say to the Minister that not many of us mail between 10,000 and 40,000 letters a year, particularly not many farmers. If a farmer has 1,000 acres in crop and obtains an average of 30 bushels to the acre, and if the farmer ships that grain from central Saskatchewan, his yearly freight bill will amount to \$4,800. However, if that farmer sends the same amount in the 1990-91 crop year, his freight bill will be in the region of \$24,800. One could buy a lot of stamps for \$24,800. When we take one expense and inflate it by over 500 per cent in less than ten years, we play havoc with the margin of profit, particularly when we have no control over the price of the product we are selling.

The legislation in its present form does not include all western grains, oil seeds and their processed products. We will all be anxious to see what type of amendments the Minister has in mind once we get to committee. The legislation does not deal with the concerns of livestock producers that they be included in the effort to provide a more equitable system of transportation of agricultural products. These concerns should be addressed, although I do not subscribe to the view that we should take from Peter to pay Paul.

Members on this side of the House have serious concerns about service guarantees, the methods of cost disclosure and