

fact which has been acknowledged by most agricultural spokesmen and various industries.

In terms of future development, it would have been counter-productive indeed not to intervene and to abandon such potential resources whose development will be a boon to Canada as a whole. We should not disregard either the fact that, in the next few years, the investments made by railway companies—freed as a result of the new rate—to upgrade their lines in Western Canada will have an economic fallout throughout the country. You know as well as I do that our country needs a strong economic recovery and, in that respect, the policy will ensure a diversified and inter-regional stimulus which can only be beneficial.

Concerning the payments to the railway companies and the products which are included, I just saw on the CBC television network a farmer who was saying that right now, under the existing system, he is spending between \$3,000 and \$4,000 to ship his grain, but he is quite prepared to pay more if he can be sure that his production will be taken off his farm and shipped to the market place. Keeping in mind that the railway companies will get paid, the investments they are making now and will make in future, combined with cost controls on transportation for the farmers, will create a situation such that western farmers and the agricultural community in Canada as a whole can only stand to benefit. That is why I support this Bill, Mr. Speaker.

[English]

Mr. Thacker: Mr. Speaker, would the Hon. Member opposite tell me whether or not the Minister of Agriculture (Mr. Whelan) was wrong when he published a paper through his Department in which pointed out that the original Crow changes, before the Bill C-155 compromise, would not affect the livestock industry in Quebec? Was the Minister of Agriculture lying in that document?

[Translation]

Mr. Dubois: When the Hon. Member referred to a paper published by the Department of Agriculture, he meant I suppose either a letter which was released sometime in February, or perhaps the Jacques report. Yes, that is probably it. In fact there are two different documents, namely, the Jacques report and the letter written by the Minister of Agriculture. Everything hinges on the situation described in the report or this letter. I do not think that the Minister of Agriculture was lying about this situation, but the fact remains that different people had different opinions about the supply and the costs of production. People are aware that the production costs for feed grains in Western Canada are already different from what they are in Eastern Canada, for the grain is already there, and the cost of transportation to Quebec is added to the production costs, and when I say Quebec, I mean of course my own riding where things are different, and I think farm organizations were seeking equity. As the Minister of Transport has indicated, the Minister of Agriculture was suggesting a system for

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our feed grains. While certain things could simply not happen, some farm organizations thought otherwise.

[English]

Mr. Thacker: Mr. Speaker, the Hon. Member has not answered by question. Either Quebec producers were wrong when they said the Gilson changes would affect them adversely or the Minister was wrong when he said that the changes would not affect Quebec producers. Somebody was wrong. I would like the Hon. Member to tell me which one was wrong.

[Translation]

Mr. Dubois: Mr. Speaker, when it comes to putting the blame on someone, I think we should remember two things. Agriculture Canada and Canadian producers were operating under different assumptions. Both Agriculture Canada and farm producers from Quebec and elsewhere were thinking in terms of a certain number of years, on the assumption that if the payments were made according to the policy statement, the grain growers of Western Canada would sell their feed grains to their neighbours who would raise cattle, hogs or poultry, or on the North American market, or on the Japanese market, and therefore they would not compete with Quebec producers. If, on the other hand, they chose to send their grains to Eastern Canada, would these two assumptions remain valid? Because of these diverging views, problems were anticipated.

In view of this situation, the minister said: "For safety, let us make the payments to the railways". Under these circumstances, either the grain growers of Western Canada would keep their production, and a number of problems could arise, or they would market it and in that case they would operate under competitive conditions.

[English]

Mr. Hargrave: Mr. Speaker, I have a question for the Hon. Member for Lotbinière (Mr. Dubois). In his remarks he made a very clear reference to the fact that the Gilson group recommended that the Crow benefit be paid to the railways. Surely the Hon. Member knows that the Gilson group did a tremendous job, for which I give it credit. It represented every sector in western Canada involved in the entire issue, including all three Wheat Pools from the prairie Provinces, United Grain Growers, 20 different commodity groups and the railways. Collectively that is the group and that is why I refer to them as the Gilson group. It represented every one involved in the debate. It is well known that the Gilson group did a superb job. It did the impossible. First it arrived at a consensus that something had to be done, although it could not identify what should be done. Eventually it arrived at a compromise. One of the major elements in that compromise was that the Crow benefit be paid to the farmers, not to the railways. This is the original recommendation. Is the Hon. Member aware of that? I am not talking about the February 1 statement. This is the original Gilson recommendation.