

Western Grain Transportation Act

price they receive for their product. When they look at what is before the House, they find that they may be faced with substantial added-on transportation costs in the near future. It does no good for grain experts to say that the price of grain will increase to \$10 or \$12 per bushel in the next five years. That is not satisfactory, because such statistics have been quoted to farmers in the past and, as we know, the price of grain today is less than it was in the 1970s and inflation has continued at a rapid pace during that time.

In the past, western farmers knew for certain that the cost of transportation for export grain would not change. All their other costs have increased, some slowly and some very rapidly. Time and time again they were faced with interferences. Clearly it is to the advantage of farmers to know one very critical cost, the cost of transportation. It has to take a reasonably predictable form. We do not see that in the Bill before us today. That is why Member after Member has risen to address the problem.

Actually there are a number of problems, such as variable rates, who pays the inflation factor, whether or not some grains are included, the 31 million tonne cap and the 10 per cent safety net which may not allow farmers in western Canada to produce barley or oats because the cost of transportation in five years will be so significant that if the price does not double they will not be able to produce those commodities.

Those questions should be answered. This is why farmers are asking us to participate in the debate and to deal with the problems before the Bill passes quickly into the other stages and suddenly becomes law. As Members of Parliament we must address the very questions which our constituents are asking. They do not understand the niceties of this place as we do. For years farmers have depended upon the hills and valleys of agricultural production. Some years are good ones—nature has been good, prices are good and reasonable profits result. In other years, as was the case in the last number of years, in most instances farmers have not even received their cost of production. If we allow the railways to set the price at which to move grain in April of each year, we may find that they will take advantage of the very fact that things are going well. We may find that the costs are up, but if things are not going well, perhaps the price will remain the same.

The point I am trying to make is the same as the one many farmers in western Canada are trying to make. We do not know enough about the costs of the railways which they attribute to the transportation of grain. We do not know whether or not they are correct.

I would like to return to the MacPherson Royal Commission of some time ago. At that time this problem was being addressed and the commissioners caused three studies to be made. One was done by the railroads, which showed that they were losing money moving grain. I believe that was back in the late 1950s or early 1960s; I am not sure of the date. Then another study was conducted by farm groups in western Canada who hired experts. That study showed that the railroads were making a profit moving grain. Then the Government commissioned a report, which report showed that the

railroads were breaking even on the movement of grain. There we have it, the whole gamut of what railways were being charged or were charging for moving grain. The Royal Commission was unsure whether they were making a profit. This caused the Commission a great deal of difficulty when it ruled on that area.

Recently we had the Hall Commission. It concerned rail line abandonment. Justice Emmett Hall made some recommendations with regard to the Crow. As well, he recommended that the lines on which the railways indicated that they were not making money should be turned over to the prairie rail authority and be operated by groups in western Canada until it could be shown that they were making a profit.

Mr. Mazankowski: They recommended off-line elevators too.

Mr. Schellenberger: Yes, that is correct. I know that my tractor put on the rails could pull 15 or 20 cars down the line nicely and it would not be at a very high cost. Options are available in western Canada. This is not necessarily the only one. That recommendation came some seven or eight years ago. Mr. Justice Hall recommended keeping the Crow and paying livestock farmers the distortions involved. I believe if we talked to him today about that recommendation he would say that there was no way to anticipate the inflationary costs of the 1970s, and I am not so sure he would make the same recommendation.

Now I would like to turn to the Snavely Commission. Supposedly Mr. Snavely conducted an impartial study. I would like to quote some of his comments during a recent interview. He stated:

I argue that you could give them less but they wouldn't have responded in the same way.

He was referring to the railways. He continued:

They would have been back at the public trough to get money to do what they had to do in the West.

Then he referred to the numbers in the Bill by saying:

These numbers are sufficient that the railways have no justification for coming back.

We are talking about public funds. We are talking about what the railways should and should not have. When we look in the Bill to see what guarantees the railways are giving to ensure that money from the investments will be put into transportation in the West, we have difficulty supporting the Bill. In committee the railways must give us some justification as to why the subsidy of \$600 million is correct. I do not want to get into another argument with you, Mr. Speaker. I see my time is up in any event.

● (1750)

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I wish to make a few comments on Bill C-155, an Act to revise the Crowsnest statutory freight rates for prairie grains. Some question may arise as to why I would presume to speak on a Bill such as this. However, I have a very keen interest in what