

Transportation

also a firm statement. The federal contributions are firm and the obligation for producers to pay more is also a firm concept, as is the necessity to increase the efficiency of the railways.

• (1410)

That is the first part. The second part brings up a number of the issues or debatable items which are—and this will be the third part—given to a federal representative, Dr. Gilson, with the mandate of going to the interested parties trying to maximize the consensus, to bring it out, to define it, make it more specific and precise than it is now.

That is in the second part. It includes concepts like the proper level of compensation to the railways and the manner of payment of federal government subsidies; will it be to the farmers or will it be to the railways? It includes a discussion on performance guarantees, what they should be and how they should be given and implemented. It includes also a resolution of the debate on variable rates. Are there some that are acceptable? Are they all not acceptable? Another question is, what is the best way of supporting diversification and processing in western Canada? What should be included in the final statute the House will be asked to pass in due course?

That is the second part of the statement of February 8. I repeat that it involves a number of questions on which the government, in a very democratic fashion, would like to have the contributions and views of the interested parties in a very democratic fashion. I say that with great emphasis, because much of what comes out by way of condemnation of what we are doing is a misunderstanding, willingly or not, of the statement itself.

The article I have in my hand is entitled "Saskatchewan Challenges The Pepin Plan". The title itself is already a mistake. There is no Pepin plan now. There is only part of one, and the reason is that the government has in the most democratic fashion, asked interested parties to complete the "Pepin Plan", if that is what you want to call it.

Mr. Hovdebo: You have just said to us there are three non-negotiable points.

Mr. Pepin: I will answer all questions later with great pleasure. Again there is misinformation. On page 2 the article says:

What is not in the Pepin plan is protection of the two fundamental principles of the Crow rate. There is no fixed rate for the producer.

And there will not be any, but I am in a pretty good position on that, because Premier Blakeney himself was saying a few days ago, "Perhaps a revision of the deal makes sense." All virtue does not lie with the New Democratic Party on this matter. Far from it. They are parsimonious, occasionally; even when they start reasoning with their heads instead of their

feet, they are most reactionary. But this is not the important point.

There is no equal rate for equal distance.

That is the question on variable rates. That is the very question the government has asked Dr. Gilson to help us elucidate in consultation with the interested parties. It was very wrong, undemocratic and unfair of the government of Saskatchewan to accuse us of not having proclaimed as a principle a concept that we have asked the interested parties to debate first.

So much for the statement we made on February 8. Let us look now at the motion we have before us today. Let us analyse it in some depth. We are told that the author of this motion:

—approves in principle the payment by the government on an annual basis of an amount equivalent to the 1981-82 railway revenue shortfall—

Thank you very much. That is a good start. If we take the shortfall to mean essentially the losses incurred by the railways, \$376 million in the last year, plus the subsidies paid by the government, \$236 million, that should give us about \$600 million a year of federal contribution to grain transportation in western Canada.

We are willing to go further than that, and hon. members will find in the future statute a confirmation of the branch line rehabilitation program and also the purchase of another 1,280 hopper cars in addition to the 10,000 the government has already paid for. The degree of subsidy would be more, as recognized by the government now, on an annual basis—something like \$800 million—than the \$600 million the hon. member for Vegreville is willing to go along with.

We start parting ways when he does not come out for any increase in the participation of the farmer in the transportation of his grain. I am not absolutely sure, but I gather from what he said today that he does not want to change anything in that particular area.

With respect to the Crow gap being more than the money the federal government is willing to put into filling it now, if the hon. member for Vegreville had his way, he would have a continuation of the gap, he would have a continuation of the inadequacy of railway compensation for the transportation of grain. What he has recommended is simply again to postpone the problem, not to resolve it now. What he would have is a continuation of the problem and a continuation of the anxiety of westerners as to the adequacy of their transportation system. That is what this government does not want to continue. We think the time has come to give western Canada an adequate transportation system. The time has not only come but perhaps has to a great extent passed.

A number of other things are said in the motion that need to be underlined. The author of the motion regrets that an inquiry has been established without clearly defined terms of reference. Let me tell my good friend, the hon. member for