freight charges, I have yet had a single grain producer tell me that he is willing to pay more freight charges. Most farm organizations which accepted this did so because they thought it was inevitable. They became resigned to it because they believed that the Government intended to do it anyway and they wanted to see what kind of a good deal they could get. This Bill shows them the kind of deal they are getting. Not only are they getting $1 billion or more in increased freight charges by 1991, but they are getting variable rates.

The Minister can dress up all he likes the language in the Bill, but a variable rate is a variable rate. Variable rates mean that there are another 1,800 to 2,000 kilometres of branch lines in the three Prairie Provinces slated for abandonment in the rest of this decade. I invite the Minister to go to places like Cardston and explain to the people there that they may lose their branch lines, delivery points and the millions of dollars invested in country elevators and in their community. Are these people supposed to get up and just walk away from that? Anyone who agrees to demolishing the statutory grain rates is not worthy of his or her position in this House, not worthy to represent the people in their constituencies and, in particular, not worthy of what Confederation, unity and co-operative federalism mean in Canada.

• (1240)

I now want to deal with the alternatives that we have been proposing for many weeks. I will surprise the Hon. Member for Vegreville (Mr. Mazankowski) by not saying a word about nationalizing Canadian Pacific Limited. Our proposal calls for three essential points. First, that the statutory grain rates remain in place for grain producers. Second, that any shortfall in proven out-of-pocket costs of the railroads in the transport of grain be paid directly to the railroads as a grain transportation subsidy.

I was glad to hear the Hon. Member for Vegreville elucidate the massive subsidies received by grain producers in Australia, Argentina, the United States and the European Economic Community. The Government is asking our grain producers to pay a billion dollars a year more by the end of the decade and to compete with the national treasuries of those countries. Surely that is not fair. It mistreats a region and a segment of our economy. That flies in the face of national unity and co-operative federalism.

We object to paying the railroad a shortfall which includes the ability for them to make a profit on the subsidy. If they made a profit on the commodity, one could argue in a different way or possibly accept it, but not allow the railroads to make a profit on the subsidy from the public purse, a 21 per cent return on investment. Does anyone know of people who get a 21 per cent return on their investment? This Bill provides another 20 per cent for what can euphemistically be called overhead. In my opinion, that is a straight add-on profit.

In committee the other day, one of the Minister's officials said to me that overhead is the cost of money. I thought interest rates were around 9 per cent or 10 per cent. I do not know what the rest is for; maybe water for the railroad President's whisky, his salary and a few things like that. That is the second part of our proposal, that the shortfall should be only the proven out-of-pocket costs of the railroad.

Third, we fully support public investment in the rehabilitation and upgrading of our railway lines. This should not be confined to British Columbia and Alberta because there are many other places in Canada where it is badly needed. We say that for the first time since 1881 we as a nation should cease to hand out capital to the railways or anyone else without getting something in return for that capital investment. Which other investor would provide money for capital without taking devidends or interest, bonds, debentures or equity shares? Surely my colleagues in the Liberal and Conservative Parties agree that would be a sound business practice. Implementing our alternative proposal would require no more money than the Government is prepared to spend under this legislation. It would be a lot more fair and sensible.

In view of what I have said, I move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That all the words after the word "that" be deleted and the following substituted therefor:

"Bill C-155 be not now read a second time but be read this day six months hence".

I will conclude my remarks by telling my colleagues that this is not just sentiment but an essential part of this country. If the statutory grain rates can be cavalierly done away with at the expense of the western grain producers, I warn my colleagues from other parts of Canada that the Maritime Freight Rates Assistance Act, the Atlantic Region Freight Assistance Act as well as the At and East freight rates will be jeopardy.

The user-pay principle will not stop at statutory grain rates. What will happen to the tariff protection of the manufacturing sector in Canada, particularly central Canada? If the Minister were to have his way, he would go for cost recovery of our airports, the Seaway, ports and highways.

There is not a single mode of transportation that has ever paid its own way. Ever since the wheel was invented, each mode of transportation has had to be subsidized. It is a public utility, something that everyone uses directly or indirectly. In many sectors of transportation there are natural monopolies which require public investment and control. To single out the grain producers of western Canada while all other sectors continue to get their subsidies and benefits is unfair. It should cause all thinking Canadians to say that we cannot and must not legislate in a manner which discriminates against one region while similar benefits are being received in other regions.

We believe that our railway system must be upgraded and modernized. The public must have greater equity in the railroads, both increased equity in Canadian National and begin to take equity ownership shares in Canadian Pacific, so that the people of Canada are eligible for a return on their capital investment and can have some say in it.

The Minister wants more guarantees and more authority. He has a board of directors for Canadian National which he appointed. If he sends a directive for them to follow as a