

Transportation of Grain

still be a progressive move for Canada's transportation and grain handling system.

In line with the motion presented by my friend, the hon. member for Regina West (Mr. Benjamin), we say that Churchill upgrading should continue, that the storage capacity of Prince Rupert should be upgraded to six million bushels and that an increase in output by a multiplier of two to three should continue. We say that the branch line upgrading program should continue to be part of the system and that the hopper car fleet should be brought to its full complement of required cars. That process should be completed within the next three years if we continue to build 1,200 to 1,400 cars per year.

We also think that the Hall recommendation of developing the northern section of the railway system, particularly in northern Alberta and British Columbia, should go ahead. We particularly like the idea of electrification and the continuation of financing of the project, but on an equity basis so that the people of Canada who have done the financing will have some ultimate control over what happens to that financing.

As far as the farmers of western Canada are concerned, the main recommendation of the Hall report was to retain the Crow rate as it is. There will be a shortfall after the modernization of the railways is complete, but we must remember that modernization will make possible a 40 per cent increase in carrying capacity. Had the move to electrification been implemented, it would have increased by 50 per cent the volume of traffic moving through the mountains. The increase in efficiency would have been enormous had all of the recommendations of the Hall report been carried out.

Together with public financing, the increased efficiency which would have resulted had the recommendations in the Hall report been carried out would pretty well have covered the actual costs of moving grain. Instead, the government chose to go the old route, to stick with current technology and current economic thinking, which is simply to pass the costs on to the consumer, and to pay no attention to increased efficiency and reduced cost but, instead, to add the costs on to the charges the producer must pay. We think that is unfortunate. We still say it is not too late. The government still has time to implement the Hall report. Today we call on the government again to do so. We ask that the vote be taken immediately and that this motion be accepted by the House.

Miss Aideen Nicholson (Trinity): Mr. Speaker, the motion before us is a very wide-ranging one which covers a number of issues concerning grain transportation and is important not just to western members but to all Canadians who are concerned about the economy in general. The motion also has implications for the Ontario manufacturing sector.

This particular motion was debated just over two years ago, and what I intend to do today is to demonstrate that some of the recommendations in that motion have already been acted upon.

In the past two years record volumes of grain have been moving to export, and this crop year gives every indication of being the best yet. Unfortunately, international prices are

down, but volumes are currently running significantly higher than at any time in the past. In recent weeks record unloads of cars have been achieved on the west coast. This is even more impressive, given that most cars now are the larger, more efficient hopper cars. Currently, export and domestic grain clearances from our principal ports are about 1.5 million tonnes above last year's levels. This is good news for the western farmer but also for the Canadian economy in general. So is the recent announcement by the minister responsible for the Canadian Wheat board of the largest long-term agreement for wheat sales ever entered into. This is with the People's Republic of China, and it is valued at over \$2.25 billion at today's prices over the next three years. Some of these results are being achieved through the collaboration of all participants in the grain transporting and handling system. I am pleased to say that this spirit of co-operation is also being reflected in meetings that have been taking place in Winnipeg during the past several weeks on the Crow'snest Pass rate. It appears that progress is being made toward reaching an acceptable solution of the long-standing and vexing problem of the statutory rates. This will not be easy, but the framework in which the meetings are proceeding offers the potential for protecting the interests of producers and it also provides sufficient flexibility to reach a broad agreement.

• (1620)

There has been a lot of talk about guarantees at these meetings and there has been some criticism that the guarantees being offered favour the railways but not the producers. It may be useful, therefore, to look at those guarantees.

The government is prepared to offer the following guarantees to the producer. First, an expenditure of \$3.2 billion related to the movement of grain for the four-year period 1982-86; second, a minimum \$700 million branch line rehabilitation program begun in 1977 and continuing to 1986; third, a guaranteed rail line network of over 15,800 miles until the year 2,000; fourth, a legislated commitment to pay annually from 1986-87 an amount equal to the 1981-82 railway revenue shortfall for moving grain or about \$600 million; fifth, to provide 11,280 Government of Canada hopper cars for the movement of grain and grain products; sixth, a basis in legislation for determining future rate increases; seventh, no variable rates unless sought and accepted in negotiations by producer representatives; eighth, specific railway performance and service guarantees negotiated by producer representatives related to grain transportation; and, finally, specific railway commitments related to investment programs to be undertaken to guarantee sufficient capacity to move grain to market.

This is a most impressive commitment and it clearly demonstrates that the government not only cares about the interests of the western producer but is prepared to make real efforts to ensure that western Canada, and the nation as a whole, will have an efficient rail transportation system appropriate to its needs, and especially the very specific needs of getting grain to the coast.