

Transportation

Mr. Hovdebo: Now, let us look at the claim of the railways for a reasonable return on investment. We recognize and agree that no business can operate without a reasonable return on investment. The Snavelly report says the railways lose \$335 million a year hauling grain, but if we are going to apply this costing yardstick to railways, it is only fair to apply that same yardstick to the producers. If we use the Snavelly formula for farmers, it costs farmers \$12.94 to grow a bushel of wheat. The current price is \$5.94, which indicates that farmers must be losing \$7 on every bushel that they grow. That is a \$7 billion loss annually.

Now, the federal government proposes legislation which will guarantee the railways the Snavelly shortfall in 1982, indexed for inflation. If you can give that kind of a COLA clause to the railways, why can you not give it to the farmers? Some say that farmers should pay more. Well, net farm income in real terms right now is half what it was in 1970. The average Canadian farmer today makes a 7 per cent return on investment before income taxes, based on deflated 1975 land and machinery values, which would not hold very well now. The government says farmers and taxpayers must pay the railways \$752 million to transport grain in 1982. The Snavelly formula includes a 25 per cent return on investment and an additional 22.5 per cent in add-on profits. There would be a lot of happy farmers if they could get that kind of return. Yet farmers are being asked to expand production based on a 7 per cent return on investment, which return will be much lower if the Crow is taken away. If it is a good formula for the railways, why is it not a good formula for the farmers? The door must swing both ways.

If farmers operated under straight business principles, Mr. Speaker, they would stop growing food and invest it in shopping centres and oil wells the way the CPR does. Were it not for a dedicated farm population taking low, sometimes no, return on investment, Canada and much of the world would starve. Before we irreversibly uproot our prairie society, let us examine the alleged benefits of killing the Crow. Some say that farmers will get better service. Well, there are ironclad guarantees in the Railway Act which have not made any difference, and we are not likely to get better service.

The Acting Speaker (Mr. Blaker): Order, please.

Mr. Hovdebo: I still have five minutes, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The hon. member has had 20 minutes to speak, which is a proper amount of time. I sense from his remarks that perhaps he was not aware his time had expired at 4.08 p.m. However, with the consent of the House the hon. member might take a moment to wrap up.

An hon. Member: No.

The Acting Speaker (Mr. Blaker): There is not unanimous consent.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have tried to be interested in the comments of the hon. member for Prince Albert (Mr. Hovdebo). Having heard another member from Prince Albert I guess I am not too enthusiastic over the

remarks made by the present member. I have to admit they are probably sincere, but not necessarily as convincing as they have been in the past.

Now, Mr. Speaker, we are seized with a problem at the moment involving western farmers. And I must say as a practising farmer I know what added costs mean to a farmer. There is no way the farmer can have another cost added to the burden of maintaining his farm. No amount of statistics will rationalize the fact that we have lost many farmers. That is not the important point. The important point is that every farmer is hanging on by his fingernails. He is hurting.

• (1610)

In addition to the interest rate problem, the minister has added the problem of energy price increases. There is nothing we can do about that. It was caused by the stupidity of Liberal governments over the past ten years, going back to the time when John Turner was minister of finance. I was here at that time. He came on very strong. It was not important whether the country survived, only that the Liberal government should survive.

The whole press seemed to think that John Turner would be our salvation. I would like in my own simple way to make the press realize that it was the beginning of the end. That is my message to the Press Gallery. The Minister of Transport (Mr. Pepin) knows what I am talking about. It was important in 1972 that the Liberal government survive. It did what it thought necessary for its survival. Now we are seized with the problem where we have accumulated a \$100 million debt over a ten-year period.

Now the minister wants to go to western Canada, because that is where the money is. That was not always the case. Western Canada has fed eastern Canada for many years and will continue to do so for years to come. We do not mind that, but the government must not zero in on the grain-producing economy just because that is where the dollar is.

The former minister of transport indicated very vividly that the moneys generated from the Crowsnest agreement were adequate to carry the railways. This administration has not taken account of that. In his comments, the Minister of Transport did not take that fact into account.

The CPR seems to be the main source of attack for the New Democratic Party. That is rather silly because attacking the CPR is really an attack against the development of the west. My grandparents settled in the west. This was possible because of CPR and CNR. I give credit to the governments of that time. I do not think that the railways should be attacked now simply because they are not making a buck. That is not right.

Look at past statistics. They show that when the most grain was moved, the railways made a profit. The minister has those statistics. I will not quote them because my time is limited.

I repeat, the NDP members are very vocal in their attack against the CPR. I have CPR and CNR lines in my constituency. Are the NDP members interested in destroying the