

*Transportation*

will have to pay a larger share, but the wheat producers will have to pay as well. That is the answer and it is very straightforward. Western economy is changing and nothing should prevent its development and its diversification. The west should develop its full potential in its own interest and in the interest of Canada as a whole. It is now forecast that the existing railway capacity will no longer meet the demand by the mid-eighties if new commitments to invest in development projects are not made this year. Politically, we have only two members from western Canada, and I would like to remind the members opposite of what might have been the most important part of the Speech from the Throne given on April 14, 1980, and I quote:

Like all of your colleagues in the House of Commons, you who represent the people of Saskatchewan, Alberta and British Columbia, have a responsibility to represent your constituents to the nation. You also have an extra responsibility in the present circumstances to represent the nation to your constituents. It is a task no one else can fulfil. My government is prepared to co-operate fully in helping you to achieve this.

Mr. Speaker, something had to be done and we are doing it. If we do not act and nothing happens, history will not blame this government but rather the elected representatives of the western provinces for their lack of vision, because western economy is growing more rapidly than the railroad network, and if, for instance, 10 per cent of the bulk exports expected to be moved toward the west in 1985 are not transported, it will mean an export loss of nearly \$1 billion. What is the position of the various parties, Mr. Speaker? In short the government is willing to allocate nearly \$3.2 billion for grain shipment over the next four years. First, there is the amount of \$1.85 billion which the government is committed to spend under the existing programs. Of course, everyone knows what this includes. It includes the branch subsidies, improvements to existing programs and car purchases. Second, there is an amount of \$1.35 billion allocated in the budget of last November, which represents the full amount of the government commitment for the western rail network in the current fiscal year. That is our position.

What about the railways? They are of course the victims of these artificially low rates. I think that I agree with the hon. member for Qu'Appelle-Moose Mountain that there was a time when the railways were making money. That is certain. However, it is not the case in 1981-82. We only have to recall that in 1958 the producers paid about 75 per cent of the total costs and that, in 1981, this share has fallen to 24 per cent, while the railways have lost \$244.4 million in spite of a direct surplus of \$170.2 million. We can reasonably forecast that they will lose \$1 billion in the eighties in spite of the increased shipments of other grains. Other products such as coal, sulphur and potash have been threatening to decline since the seventies, and as we all know, these products are bottling up the western rail network. No one can deny the present needs. Those who have lived in the west and who know the Rocky Mountains are aware of the long lineups of railway cars and

the tie-up this creates. If nothing is done the traffic will remain bottled up.

What is the position of the grain farmers? They are the producers and they will have to pay in the end. We are lucky to have them, Mr. Speaker, because these people have provided Canada with wheat and grain exports of \$4.6 billion, which is the fourth largest contribution to our balance of payments in Canada. I have met with grain producers, Mr. Speaker, since coming to Ottawa, and even before when I was in the Minister of Transport's office. Since the hon. member for Qu'Appelle-Moose Mountain quoted from newspaper articles which obviously supported his arguments, I believe that it is important that I also be allowed to quote from a few articles, which are naturally more favourable to my position than that taken by the hon. member for Qu'Appelle-Moose Mountain. First, I would like to mention two names, the Western Agricultural Conference and the Prairie Farm Commodity Coalition, two agencies which speak on behalf of most major western farm organizations. They themselves agree that the railways should receive adequate compensation to cover grain freight costs, and that any arrangement should be enshrined in appropriate legislation. They are prepared to negotiate issues such as who will have to bear the burden of inflation in the future, and how large their contribution will be. This month, presidents of prairie organizations have been supporting the decision by the Minister of Transport (Mr. Pepin). I shall quote some of them. Mr. Ivan McMillan, President of the Prairie Farm Commodity Coalition, said in an article in the *Winnipeg Free Press* of February 9, 1982, and I quote:

There is really no alternative, someone has to take action.

Mr. Howard Falkenberg, President of the Western Agricultural Conference, said in an article by Canadian Press of February 8, 1982, and I quote:

We must get something started as soon as possible.

In *The Globe and Mail* of February 9, 1982, I quote the following:

Much remains to be done to help western agriculture achieve its full development.

Other major western freight customers have welcomed the government's comprehensive approach. For instance, Mr. Garnet Page, President of the Coal Association of Canada, told Canadian Press on February 8, 1982 that he felt, and I quote:

—it is extremely important that the railways and the government should undertake large-scale, long-term projects and that they do so this spring.

This spring means in two months, Mr. Speaker. On February 8, 1982, a task force on railway transportation in Canada said in a press release, and I quote:

It is essential that new investments that are needed to expand the capacity of our railways be made this year.

At the annual meeting of the Palliser Wheat Growers Association held in Winnipeg on January 5, 1982, President George Fletcher told his 2,000 fellow members, and I quote: