

*Western Grain Transportation Act*

order to achieve the three objectives that we had in mind, namely, to change this legislation which has come down to us from the last century and under which the cost of shipping grain was set at a minimal figure that now makes no sense at all, we knew that getting rid of what is commonly known as the Crow rate would not be a cinch and that, consequently, we would be unable to reach that objective without offering compensating benefits to those who would be directly involved in the first place—the grain shippers. The second objective of that reform obviously went far beyond repealing the statutory rate which we have had to live with for so many years, but probably the most important objective was to upgrade the western railway transport system—indeed it was the ultimate and essential objective of that major reform. At the same time, the Government wanted to be impartial and asked Mr. Gilson to make recommendations on ways to help diversify western agriculture.

● (1230)

With those three objectives in mind, Mr. Gilson got down to work and I think he did a good job. If I have one criticism to level at him, and it would be the only one, I would say that at the time he or his advisers should perhaps have foreseen that the reform of the western grain transportation system could not be the exclusive precinct of Westerners since it would also have an impact on producers in Ontario, Quebec and the Maritime Provinces. Unfortunately, the preliminary consultations did not involve those producers and perhaps that was what led to misunderstandings and prompted the dissenting opinions which have been voiced almost everywhere in Canada after the Gilson report was tabled.

Allow me to say immediately that a great many of the objections to the Gilson report were grossly exaggerated, particularly in the Province of Quebec on the part of a Government that is bent on taking Quebec out of Canada. It jumped on that opportunity to try to use that report—drafted in good faith and with the best intentions in the world—to launch a political battle, a separatist battle. The statements which were made at that time, particularly by the Quebec Minister of Agriculture, were bordering on demagogy if not outright deceit. That is why a number of Quebec Members and Ministers attempted to set things straight and in their proper perspective. That is why the Sub-Committee on Agriculture, with Members of the Liberal Party in Ottawa, was stricken under the chairmanship of the Hon. Member for Lotbinière (Mr. Dubois). That Committee has done a tremendous job in its discussions with Quebec farmers and the main agricultural organizations in the Province in an attempt to set the record straight.

A series of gratuitous statements had been made and I would like to mention a few. At that time we had to dismiss once and for all the gratuitous statements which led to believe that the supply and the price of grain feed in Quebec would be affected by this new Government policy by way of the

implementation of the Gilson report. There is surely nothing of the sort, the reason being quite simple: the price of grain is set by world demand in Thunder Bay and any amendment to the statutory rate does not change anything whatsoever in this respect.

As far as supply is concerned, we said it again and again to the Eastern farmers that they are protected under the stated feed grain policy which has endured throughout the years since 1974. However, when it was suggested to Quebec farmers that there would be supply problems, that the price of feed grain in Quebec would be affected by this new Canadian policy, this was a shameless lie.

Another rather weird statement was made by the Quebec Minister of Agriculture when he said that the price of beer and spaghetti would go up. Of course he is known for his usual antics and most certainly that statement came out of his best bag of jokes, which may not be the funniest nor the truest, but it still was one of his jokes. So, clearly, that proposal is basically false.

It has also been suggested that hog breeders in Quebec would be greatly affected by the policy, and sooner or later they would go bankrupt. And there has been a systematic campaign in the Province of Quebec to suggest that the Gilson report's recommendations would force breeders into bankruptcy—dairy, egg, poultry and pork producers. However, we know very well that the quota systems are managed by the Canadian marketing boards, which adequately protect people in the dairy, egg and poultry industries.

As far as hog breeders are concerned, there have been studies which indicated the opposite. They showed that certainly there would be an increase in pork production in Western Canada, but that the world market was open to Canadians and that there was room under the sun both for eastern and western pork producers, that there were markets waiting to be tapped by producers from either part of Canada. And by studying the data somewhat more closely, especially those gathered by Econometrics which compare Professor Gilson's overall recommendations to the assumption that the Government would assume responsibility for the whole of the railway revenue losses deriving from Western grain shipments. According to those forecasts, there should be almost identical growth in the various Western agro-food sectors over the next ten years, given either of these two scenarios. With regard to hog production, for instance, Chase Econometrics forecast that by 1992, the difference in growth between the two options in Eastern Canada would only be 1 per cent.

● (1240)

As for hog production revenues, they should double by 1992, and the difference between the two options would then only be 2 per cent.

Among other things, Mr. Speaker, there should be a difference of only about \$20 million in the revenues of all Eastern