

Western Grain Transportation Act

the value of grain at export positions, relating that back to the producers' net return from a bushel of grain and deducting the handling charges and the transportation charges, the arithmetic that I have done would show that that figure could be as high as 12 per cent. Now, there is a big difference there. Those are some of the things that we would like to have clarified. I would also like to know if there is any bottom price on that. It is fine to pay 10 per cent of the value of grain if it is \$10 per bushel; you are making money then, but if the selling price is lower than the cost of production then I would like to know if there is any provision for a genuine safety net. The percentage that the Minister has in mind as a safety net should be variable.

● (1640)

There has been talk about the percentage of inflation for which the producer will be responsible. I have talked to a lot of producers and I agree with them that the Government should be responsible for the first two or three percentage points of the inflation factor and the producers should pick up anything above the 3 per cent. What will happen is that producers will pick up the first 3 per cent now and after 1985-86 pick up 6 per cent, but the sophisticated accounting procedures of the railways will almost guarantee 6 per cent inflation in the cost of moving grain regardless of the situation in the economy at large.

The Hon. Member for Vegreville pointed out that there is no mechanism in place to cope with decreasing costs in a period of deflation, which the Americans are talking about now. What happens if we genuinely have a period of deflation and costs go down one or two percentage points in a year? Is there any mechanism in the Bill to allow the cost to the producer to be reduced? That is a legitimate concern.

We would like to know more specifically what the statutory framework would be. The bureaucratic language in the Bill is very difficult to understand. One of my predecessors pointed out to me that if a policy takes more than 30 seconds to explain, that means it is a bad policy. Some of the explanations the Minister gave of the statutory framework in the Bill are difficult to understand.

The Minister said that we cannot expect the railways to have an incentive to move grain when they are losing \$400 million per year. That is a fair comment. On the other side of the question, producers have been losing money too. Many producers are going out of business, and some are having a difficult time finding enough credit to put the crop in the ground this Spring. Their position is no different from that of the railways because they are losing money as well. This is a very, very difficult time to ask producers to pay out more.

I have already outlined my concern about the Government's ability to guarantee any performance by the railways. Another major concern is comparative advantage in the country. Alberta can probably produce barley cheaper than any other area of the country. Barley means carbohydrates which, in turn, means energy for livestock. We should do everything to see that Alberta maintains its comparative advantage in the

production of livestock, and to my mind the Bill does not address that matter.

All this brings up the question of why we have a country. Surely if we are to have a country and realize its best potential, we should produce things that we produce most efficiently in the various areas of the country. Manitoba should not get into the production of pineapples. We cannot produce pineapples very efficiently. We do not produce cameras as efficiently as the Japanese. We grow grain, ship it to Japan, and they ship cameras to us. That is a fair deal because of each country's respective efficiency.

To my mind the Bill does not address the question of comparative advantage. Anything we do to distort the comparative advantage that exist in the country distorts the reason for Confederation in the first place. Perhaps the farmers in Quebec will have to make some sacrifices, and people on the Prairies will have to make some sacrifices as well. Let us make sure, however, that anything that we put into legislative form or in statute form addresses that comparative advantage so that everyone is treated equally. I know the Minister, who has a considerable background in economics, understands our concern.

If producers and taxpayers are to be asked to pay more for the movement of grain, we should examine ways to bring more efficiency into the system. We know that the railways work seven days a week. I have had a chance to be on the locomotives and make trips over the lines that have been rehabilitated, and some that have not. I have tried to get the railway officials talking to the farmers so that they could understand each other's problems and see the other point of view.

If we could lower the average turnaround time on the car cycle, that would be a help. For every day that we bring down the car cycle we could save about \$60 million. If the turnaround time could be lowered from 21 or 22 days to 15 days we could save close to half a billion dollars of investment.

If the producer is to be asked to put up money to maintain a system that I do not think makes the best or most efficient use of the equipment that we have, then I think he has the right to ask some legitimate questions about what is being done to address that problem.

There are many other areas of inefficiency that could be addressed to get better performance out of the existing system without investing any more money.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, first of all, I should like to thank those Hon. Members who made it possible for me to speak at this time.

The day which all Members of this Party and many Canadians hoped would never come, has arrived. I think we ought to be conscious of how historic, in a negative way, today is for the future of western Canada and the way of life we have come to know and cherish in western Canada. That is finally the point which must be addressed in the Crow rate.

All too often economic questions are dealt with according to a certain model. All models, of course, have their limits. This is