

Private Member's Business

In closing, I want to say that I would encourage the government to take this motion very seriously. This is not a dilatory motion. One has to plant a seed and say: "let us look at it". I would encourage the members opposite to support this motion, to allow it to come to a vote so that we can send a message to the Government of Canada. It is up to them to decide if that is the direction they want to go, but there is no benefit in saying no at this stage.

• (1720)

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as you know very well one cannot talk about the grain industry without talking about grain transportation. Furthermore, you cannot talk about grain transportation without talking about the WGTA.

WGTA is not a simple issue. In fact, it is very much an historic issue in the sense that it is built upon the Crow rate which I would like to talk about in a few moments.

Unfortunately, the motion before this House to extend the WGTA to include marine transportation costs between Thunder Bay and Salt Water fails to recognize this history.

Furthermore, I would suggest that now is not the time for piecemeal solutions to complicated problems. As the hon. member has just indicated, we are on the threshold of a major agricultural policy review which will deal in a comprehensive way with transportation as well as with other issues which are vital to agriculture.

Perhaps for our listening audience it is important to talk for a moment about the WGTA, and to note that the act is related only to rail transportation and only to movements no further east than Thunder Bay. This act came into effect in 1984 but it was a successor to the legendary Crow which is very much a vital part of our history. In fact, the Crow and the history of western Canada are almost synonymous, at least since the latter part of the 1890s.

Under the famous, or some might even say the infamous Crow, the Canadian Pacific Railway built a railway line from Lethbridge to Nelson through the Crowsnest Pass in return for a fairly generous subsidy from the federal government.

As part of that package there was an agreement that freight rates would be reduced on inbound settlers' goods and outbound grain traffic. This agreement encouraged settlement of the west and expansion of Canada's grain industry. Although this agreement was subsequently altered in legislation in the 1920s, it basically remained in effect until the 1980s. By the 1960s, however, the statutory grain rates were not providing the railways with enough revenue to maintain the grain-related rail network on the prairies.

As a result, ad hoc government financial assistance programs were instituted in the 1970s to assist the railways, to help with the cost of hopper cars, boxcar repairs and the rehabilitation of grain-dependent branch lines.

The WGTA was supposed to provide the railways with enough revenue from the transportation of grain to ensure the long term viability of the grain gathering network. The required revenue was generated by increasing the government's subsidies to the railways through the so-called Crow benefit and by increasing the freight rates charged to shippers.

This act did result in increased freight rates. But like the previous legislation, it was directed to rail transportation of western grain from the prairies to Canadian ports. That is why, in my opinion, this motion is inconsistent with the act's historical basis as an assistance mechanism for the movement of western grain.

In addition, any extension of the WGTA to include marine transportation costs, together with the elimination of the 100 per cent cost recovery on the Seaway, would undoubtedly increase the current level of subsidy. That subsidy is approximately \$720 million at the present time. It is my opinion, speaking as the member of Parliament for Brandon—Souris, and on behalf of an area which has been badly hit by drought for the second year in a row—in some instances a third and a fourth year in a row—that if we are now able to increase financial assistance to agriculture, as indeed I hope we are, then the 1989 drought program should be our first priority.

While the WGTA has largely achieved its goals, it has been discussed and debated widely for many years. There are many questions remaining with respect to its future. There remains a wide range of views about what its