



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

*Published under the
authority of
The Honourable D. James Walding
Speaker*



MG-8048

VOL. XXXI No. 23B - 8:00 p.m., THURSDAY, 10 MARCH, 1983.

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	NDP
DOLIN, Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virден	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNESSE, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKIW, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 10 March, 1983.

Time — 8:00 p.m.

MR. SPEAKER, Hon. J. Walding: Order please. Before the break for Private Members' Hour this evening, we were dealing with the proposed resolution of the Honourable Minister of Transportation.

The Honourable Member for Arthur has 18 minutes remaining.

MR. J. DOWNEY: Thank you, Mr. Speaker. In my comments this afternoon in regard to this resolution, I tried to basically lay out some of the historical developments that have taken place today. I would just like to go back to make a few comments in regard to those before I carry on with a few of the positive suggestions that I think are necessary, not only to carry on with the objective of a positive process to continue to develop the necessary mechanism to move the grains and agriculture commodities in this country but, as well, it would work to basically accomplish and try to satisfy some of the political problems that have developed, not only by the major grain-producing co-ops in the country as well some of the Provincial Governments because there has, as I indicated, been a major breakdown in the mechanism that was established not through any legislative process but basically through a mechanism of fair and straightforward approach with all interested parties and levels of government involved.

Mr. Speaker, the basic premise which I was working from was the fact that we, as a Conservative Party in this province, have a basic position which we've continued to talk about, which we've continued to be able to associate ourselves with and one which has not, as was the case of the New Democratic Party in this province, obstructed in a positive way the desire to have negotiations take place by certain groups in society. I think it hasn't put the farm community in a position where they have been put at a disadvantage in the rest of society, but one of realizing a need to negotiate, but negotiate from the position where the benefits are to be retained for that particular group in society. To be quite straightforward, Mr. Speaker, as you will find that we normally are as a party, we - and I think it's quite obvious - in the last few years have had very little difficulty with that particular position. In fact, I am surprised that during the last election the New Democratic Party did not campaign in rural Manitoba on the Crow rate issue. We clearly were on the record of not taking the stand that they now have moved from, Mr. Speaker. They have moved from the position of being in a no change, not even a position of wanting to talk about it, just in a position where they would have gradually seen the transportation industry fall to pieces, that the farmers would have no service provided by the rail companies, but in fact in total state of disrepair and not being able to serve the markets of the Canadian Wheat Board and in fact, the Canadian Grain Industry had identified and developed for this country. So I think that is the difficulty that they now

have to face. They've been the ones who've tried to play the political game. They've been the ones who've tried to make the Conservative Party or put us in a bad position.

That brings me to the recent convention of the New Democratic Party which was held in Winnipeg this last week where we had the Premier of the Province of Manitoba and all his Ministers; the Minister of Transport, the Federal Leader of the New Democratic Party, the Leader of the B.C. Party and, of course, the past Premier of Saskatchewan, where they have come out with the position. They've come out with a new position, another position. It's not too far off from what their normal stand was that the only acceptable change would be to nationalize not only the one that's already nationalized, they wanted to further nationalize the CPR. That really is a puzzle to me why this resolution is now on the Order Paper because they've taken a position, their national party has taken a position, they've taken a position, yet now they're saying, let us get together as a Legislative Assembly. Let's get together like the Saskatchewan Legislative Assembly and put our opposition to the Federal Government.

Well, Mr. Speaker, we'll put our opposition forward to the Federal Government, but it's because we want to maintain the benefits for the farmers of Western Canada, but it's not a position of nationalization or getting into the actual business of transporting the grain ourselves as a government. It is not a position that is no move. In fact, the evidence that I put forward earlier indicates that because we were a positive Progressive Conservative Party there were some positive actions taking place in the grain industry.

So we have the government who have introduced a resolution which they've taken from the Saskatchewan Government, or the Province of Saskatchewan and are now trying to say, let's go to the legislative committee, the Agriculture Committee, let's go to that process and now hear what the farm community have to say. Let's develop policy as a legislative body so we can go and stop the Pepin plan. Well, what did the statement mean on the weekend? If they've already got their minds made up, if that's the case, what are we now debating this particular resolution for, other than, Mr. Speaker, if it isn't to try and politically embarrass the Conservative Party in Saskatchewan and the Conservative Party in Manitoba? Well, it isn't going to wash, Mr. Speaker, it isn't going to wash, because first of all the Minister of Transport said, "We would have liked to have done something for Churchill," why wasn't that in the resolution, Mr. Speaker? Why didn't they mention Churchill in the resolution?

They introduced the resolution. If they feel strongly enough about it they should have put it in the resolution. We will be making some amendments to it, Mr. Speaker. But I think in fairness, some of the things that I brought forward earlier like the resolution last year, Mr. Speaker, about the labour people, that we shouldn't have labour being able to tie up a system that's so vital to the whole economy of Canada; that the essential service, or the

great industry has to be put into essential service category so that we cannot see the economy of Canada tied up, as I indicated is in the last two reports from the grain transportation co-ordinator.

So, Mr. Speaker, to speak on this resolution is giving us the opportunity to further advance our thoughts in a positive way. It totally, I think, destroys the credibility of the government who are trying to make some kind of a move to stop what is a position that is undesirable to us, or a proposal that the Pepin plan is and I don't know how effective they will really be. I don't know how it will really be, Mr. Speaker.

HON. V. SCHROEDER: Get some feeling into it. Get some feeling.

MR. J. DOWNEY: The comments I made earlier in regard to disagreeing with the Pepin plan of course go right to some of the literature, or the information package, that was distributed. As I indicated, the inflationary problems that are going to be passed on to the farm community, or the inflationary costs of 4.5 percent for the first five years, I believe it is, and up to 6 percent in the fifth year and from thereon after, I understand that's what it would cost the farmer. Well as I indicated, I don't believe the farmers, to any great extent, have in fact caused the inflation in this country. I know they've been part of the community, but big government spending and unnecessary, probably demands and lack of productivity in the whole of the country have added to the inflationary costs. I don't know why we should now say that the farm community forever and a day should pick that up. I want to say that I'm not in favour of that.

As I indicated, Mr. Speaker, the Pepin plan does put a cap on the numbers of tons of grain that will be, in fact, covered under any future program at 31 million tons; while with the record that we've shown this year, with some 27.1 million tons being handled or moved out of this country, we're almost there by 1982, a place where we were projected to be by 1985. I think it's unfair to ask the farm community to compromise their position and to give up what is now unlimited coverage by the statutory rate into a limited situation which in fact could incur a lot more costs on them. It's a reasonable position for them to take. I think it's important that be put on the record.

Mr. Speaker, I want to also point out that one particular part of the package that I think is essential. The Minister of Highways and Transportation pointed out the other day of the difficulty that the Farm Bureau is having with the Manitoba Pool Elevators and the Saskatchewan Wheat Pool are having with their groups, particularly the Commodity Coalition in Western Canada where now we've seen what the Federal Government are prepared to offer, some \$650 million into the future, a year to be divided up.

He also appointed, Mr. Speaker, or is going to carry on with the role of the grain transportation co-ordinating office, and that I think, is a recommendation that Gilson put forward, that I think could help accommodate and bring back together those groups of the agricultural community that feel uncomfortable about who or who should not get that subsidy. It's not developing a new bureaucracy, it's using a co-ordinating office that is there. — (Interjection) —

The Member for Ste. Rose says, how do I want the payments made. I would first of all suggest, Mr. Speaker - this is a concept only and I think it's worth looking at - that the grain transportation authorities should be given, first of all, all the cars that the producers have already bought, should be given the other Provincial Government cars to look after under their jurisdiction. I believe it should be placed in statute that each province in Western Canada should have the opportunity to put a person on that transportation authority or commission, actually using the body that's already there to take possession of and to handle the funds that come from the Federal Government.

The concept that I think would give the farm community - I would also go a little further - I think it should be a representative from the farm community that is placed on that co-ordinating committee or the commission. Not unlike the Canadian Wheat Board, unlike it in structure, that the provinces don't have an opportunity to appoint a commissioner, but not unlike it in their overall operations in their responsibility. You could almost call it a grain transportation commission or whatever title you'd want to put on it. The Federal Government should, in fact, have appointees on it; provinces, because they're involved, should have appointees on it. This is, I hope, going to be taken as a sincere suggestion by the members opposite and if the payments are made to that commission and the commission is responsible for negotiating the rates of not just the statutory grains but all agricultural commodities in Western Canada, then you have a farm representative body that could, in fact, negotiate with the railroads like the coal and the potash industry; could, in fact, pay some of the monies to the farm community if the desire of that commission was to pay the majority of the monies to the farm community, then that commission would have that responsibility. Each Provincial Government could, in fact, have the responsibility of replacing that individual if they were not satisfied with the operations of the commission or possibly the commission would see fit to either buy more hopper cars and put in the system on behalf of the farmers if the railroads weren't providing the kind of equipment that was necessary.

Really what it does, it gives those groups in the agriculture community not one or the other, not one to the railroads or one to the farmers, but it gives it to a body which is controlled both by governments and the farm community and gives them ability to negotiate with the railroads and not just say, we're going to remove the present statutory rate and allow the rate to go up at whatever the railroads see as desirous. But they have to negotiate with the body that is responsible both to the Provincial Governments and to the Federal Government.

So, it's really establishing, not a new bureaucracy, but using an entity that is already there that has proven that it is a workable organization and a very necessary part of the co-ordination of all of the activity. So, I'm not in any way so terribly hung up as the Member for Municipal Affairs is, that should it go to the farmer or should it go to the railroad. What shouldn't happen is the momentum . . .

MR. A. ANSTETT: You just don't want to take a position.

MR. J. DOWNEY: Well it's a big issue, but what I'm suggesting is that there is a possibility of it accommodating the Federal Government payment to the farm community and still giving the farm community something that they have to influence whether we get performance through the railroads or whether they pay more money, and I think it should have the responsibility to regulate all the agriculture transportation commodities so that the livestock producers who feel that they're being overly charged for the movement of their produce off the prairies, that in fact they will have the chance to help regulate that rate. Mr. Speaker, I think it is a workable, possible solution and that again is why I think it would have been important that the provinces be allowed to sit around the negotiation table as well.

We look here at what we've seen from the Federal Government - and I can't help but take the side of certain people in society - because it is a true fact that there is a big con job going on by the Federal Government to a certain degree. When the Federal Government come out and say that they're going to provide big incentives and initiatives to help develop and diversify the agriculture community, why all at once, because they want to start dealing with the transportation issues, do they want to start trying to fool the public? This is their responsibility to start with, Mr. Speaker, to come out and provide the farm community with research money, with funds to help diversify the agriculture community; that, Mr. Speaker, isn't only necessary because they're changing or trying to negotiate a change. What they are trying to do is politically put to rest the farmers in Quebec who all at once realized who was getting the benefits out of the Crow rate.

I've maintained for many years, if I was really going to block any change in the Crow rate, I wouldn't be lobbying in Western Canada because there has been very little political power in Western Canada for the last 15 years, but it would be in central Canada where you would do your lobbying and that would in fact block what was being proposed.

But I don't think we have to get to that, Mr. Speaker, because I think we have proven in the years that we were in government, I think that we have proven with the working mechanism that has been established under our term of office, if that had have been carried on, the farm community working together, the establishment of a mechanism that the farm community could have trust in - they don't have trust in the Federal Government and they don't have any faith in this government . . .

A MEMBER: They don't trust this government either.

MR. J. DOWNEY: . . . but if there was a nucleus set up, Mr. Speaker, which they actually had an effective control over, with funds to provide them with hopper cars, to make sure the Port of Churchill was fully developed and carried out enough grain, then in fact, I think we could have a more reasonable approach.

So, Mr. Speaker, I hope the members opposite can put forward more constructive ideas of their own rather than having to go other places to find them and I want to say that one of my colleagues will be proposing an

amendment for which I hope we get support from the members opposite.

MR. SPEAKER: Order please. The Honourable Member for Springfield.

MR. A. ANSTETT: Mr. Speaker, I just have a question for the Member for the Arthur if there's leave, because I understand his time has expired.

MR. SPEAKER: Does the honourable member have leave? (Agreed)

The Honourable Member for Springfield.

MR. A. ANSTETT: Mr. Speaker, the Honourable Member for Arthur made reference to using the Grain Transportation Authority for the dispensation of the Crow benefit funds, either to farmers or to the railways, or to a combination of various incentives dispersing the Crow benefit, to, as he said, get the maximum benefit from it.

Is he proposing then, in that suggestion, that the Crow benefit could be paid to farmers that make-up dollar, or is he proposing it to be paid both to the railways and to farmers, or just to the railways? Where does he think that should be paid?

A MEMBER: I think he's proposing all three.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: It's nice to see the Member for Springfield back in the House not out in the halls doing television interviews during the business of this Assembly.

Mr. Speaker, the proposal that I am putting forward, if there was proper representation appointed from the Federal Government from each province that would truly represent the agriculture community, and was put in place so that the desires of the farm community were met and that the rail system were able to work and get sufficient funds to operate under, I would think that commission or co-ordinating authority should have the authority to either pay the railroads, some to the farmers, or provide rolling stock as has been done by the Canadian Wheat Board. It's a combination. It's just not cut and dried one way or the other because, remember, as I said at the beginning of my speech, Mr. Speaker, the objective is to move grain and keep the economy of Canada going and make sure there is a system there that is workable. If that would do it, then I think that's how it should be done and they should be able to pay the funds to either the railroads or to the farmers or to either one - a combination.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. D. BLAKE: Let's hear it for the old Crow.

HON. A. ADAM: Thank you, Mr. Speaker, if anybody has any doubts about my position, it has always been the same; it hasn't changed in the last 12 years. I'm still wearing my Crow button - I put it on tonight so that I could feel better that way.

MR. D. BLAKE: Back to the dark ages.

HON. A. ADAM: Mr. Speaker, the Member for Arthur has just indicated that he supports the Pepin proposal. The key objection to that proposal and the major opposition from the co-ops at the present time has to do with a number of areas, but particularly the major one is the payment, how the payment shall be made, whether it's made to the railways or whether it should be made to the farmers. That is one of the major objections to the . . .

A MEMBER: Or both.

HON. A. ADAM: . . . or both, because the railways have said this. The Pepin-Gilson package is to gradually pay the two and gradually transfer it over to the farmers. That's how they intend to do it over the years. That is the major objection because it has the appearance of being a subsidy to agriculture and not a subsidy for transportation which is what it should be. It should be a subsidy to the transportation system and it should not be a new grain transportation policy, because grain transportation policy makes up only a small percentage of the tonnage that is carried by the railways. So there is a misconception there of calling it the grain transportation policy, the Gilson-Pepin proposal.

Mr. Speaker, even if there wasn't one bushel of grain in Canada to transport, they would still have to upgrade the railways because the major bottlenecks have to do with the transportation of coal and potash. That is where the major bottlenecks are. Since the grain represents perhaps only between 12 percent, 15 percent to 20 percent, at most as far as the volume is concerned of the entire tonnage that is moved, why are we calling it a grain transportation package, which it is not? We know that there has — (Interjection) — well, I am taking Mr. Pepin's figures because we met with him just the other day.

Mr. Speaker, Mr. Pepin has never been willing to listen; he has always been willing to talk. He has never been willing to listen. In fact, the first meeting that we met with him, we listened to him for about two hours and nobody could respond to any comments that he made, he always wanted to hear himself speak. He was perhaps a little more humble at this last meeting we had because he had just come from Regina and apparently he had a very difficult time with his last trip. He had just received a rebuff from the Federal Government on the cheap airfares for holidays for Canadians and he was not in a very good frame of mind. So he was perhaps more humble than I had ever seen him.

In fact, the impression that he left with me was that he was very, very concerned and perhaps on the run, desperate to get his package through before the bell rang, so to speak. — (Interjection) — You know, we listen to the Member for Arthur and I don't think that we got a clear picture of where the Conservative Party stands at the present time.

A MEMBER: All over the place. They stand everywhere.

HON. A. ADAM: He went on with a wide-ranging speech; he talked about a lot of things. You know,

there's a little window at the present time - that's how much time that Mr. Pepin has to get his package through. That is why when he dropped in on us the other day, he was so desperate because the walls are caving in. The walls of Jericho are tumbling down. They are tumbling down, Mr. Speaker, on Mr. Pepin. It comes about because of his own making, if you will, because there always has been a consensus on the Crow issue. That consensus always was there, but it was at the grass-roots level. It was at the grass-root level, back on the back 40; on the back 60; on the back half; on the back quarter section, wherever it is, that is where the consensus was. Mr. Pepin, - I have to give him credit for the masterful way in which he was able to develop a campaign to divide up all the farm groups, Mr. Speaker, to come up with a very divisive package. The reason why I said that my position hasn't changed, it's always been consistent, because I knew the moment that you sat down to talk with Mr. Pepin, you're going to come out second best. That's No. 1.

The minute that you say, yes, we have to discuss the Crow rate, we will put it on the table for discussion, the moment you do that then Mr. Pepin knows you want to change something. You're ready to change something. That was the danger of sitting down and talking to somebody. We knew what the answer was going to be because the answer was predetermined before all the meetings went on. That was just a charade.

The Gilson proposal was exactly what the government wanted to see. That's exactly what they wanted in the first instance.

Mr. Speaker, we were not allowed to speak with him. Mr. Pepin has said that we were not part of the process. The Federal Government did not want - the Member for Arthur said that in his remarks that he was upset or he was disappointed that the provinces were never allowed to negotiate. We had fair notice that the provinces were not to take part in the discussion. The Federal Government was bypassing another level of government representing over a million people in Saskatchewan and Alberta. We're not talking to the elected people. We are going right to the farm groups because they are fragmented groups. — (Interjection) —

Well, the NFU is proven to be correct now because they are the only ones that have been consistent. They have been consistent, Mr. Speaker, in not putting the statutory Crow rate on the table to bargain with. There was nothing to bargain with. They said if we put it on, it's gone. That's why the NFU, The National Farmers Union, were so determined to safeguard this historic agreement that had been given to Western Canada back in the 1800s.

So, Mr. Speaker, that is why that the provinces were never part of the process. We were not supposed to meet with Gilson and put our proposals forward, whatever they may be. What we have now is exactly what we had anticipated would happen, is that the Crow is gone. The Member for Morris, who in my conversations with him - I shouldn't perhaps talk about private conversations - indicated to me, I said, your son is going to have to pay six times Crow someday if we don't stop this now. He says, if I knew that for sure, I would oppose any negotiations.

I know that the Member for Morris is quite concerned about his son when he takes over the farm, having to

pay six times Crow or maybe more in the future. I'll be listening with interest to see what the Member for Morris, I presume he'll be the member who will be bringing in the amendment or not. I'm not sure.

Mr. Speaker, — (Interjection) — I mentioned earlier that the Pepin proposal was a masterpiece as far as a lobby campaign across Western Canada. It had all the key people, Mr. Speaker, from coast to coast, coming up with statements from time-to-time, at the right time, at the right moment; a big statement by a key person somewhere in Manitoba; top people, whether it be top farm group people; whether it be railroad people; whether it be grain people; whether it be Otto Lang; whether it be someone else. It was key people right across this country making statements and getting the people to sit down and talk, negotiate your life away, if you will. That was a very, very astute exercise by Mr. Pepin to come as far as he did.

Now, my position has always been that we must preserve the statutory Crow rate. If there is a problem - we're not sure that there is - as far as the railways are concerned, that is a different issue. If there's a transportation problem there, that should be addressed in a different way, not tied to the Crow. That part of it was not negotiable, that should remain a benefit to the farmer.

What you see happening now, Mr. Speaker, is a repeat of the original agreement that went to the railways when the Crow was first established. This is a repeat only perhaps tenfold greater, on a much larger scale, another giveaway of what happened in the past.

The Member for Arthur mentioned that there's nothing in the package of what happens to the hopper cars, where are they going to come from? What about all the hopper cars that we've already brought forward, that we've already put into the system that the farmers, the Wheat Board money, the Federal Government money, the rehabilitation of all the boxcars and whatever happened and the money that we, the Province of Manitoba, put up in renting hopper cars and so on. Nothing is said in the package about that, that's still to come yet. So what we have, Mr. Speaker, the amount of monies that are going to be handed over to the railways in subsidies, they are going to be spending less and they are going to receive, as far as renovating of railway lines, or whatever, the Roger Pass and all the other infrastructures that they have to undertake to upgrade their facilities.

So the public is called upon to put up more funding, more finances than what they are going to be spending to upgrade the railways and that doesn't count the increased cost to the farmer, it doesn't count the boxcars. They're going to be asking, say, this wasn't part of the package, the boxcars are not in the package, now we want boxcars, hopper cars . . .

MR. D. BLAKE: Boxcar Harry.

HON. A. ADAM: That is one of the issues that took place and that's not in the package. Now, I said he was very astute when he undertook to sell his package across Western Canada and in the east as well and the message was different, completely different.

Mr. Speaker, there was a message for the westerners and there was a message for the easterners and the

message that we got out here - and that's how they co-opted in the commodity groups - they did it by telling the commodity groups and the livestock producers, if you can settle this Crow issue once and for all that we're going to have economic activity in the west. There's going to be spinoffs; there's going to be added value; there's going to be a tremendous production of livestock; there's going to be crushing facilities going up all over the place and it is going to be a very healthy economic move, if you will, for the western provinces. That is how they were able to co-op some of these farm groups into putting the Crow on the table because they said, we're going to give you \$1 billion here and you're going to give up the Crow but we're going to give you \$1 billion in trade-offs.

But, Mr. Speaker, that's not what's happening. I have to say that Mr. Pepin was very honest when we met with him because we brought that to his attention. We said, where are the markets for all this increased production of livestock? Where are we going to sell all these cattle? Well, we look at your proposals and we just don't see that happening and he says, well, it's not in the cards. That was his answer. It's not in the cards for any improvements in Western Canada.

You look at the literature that Mr. Pepin is sending out to Eastern Canada and it's all there down in black and white and I think members opposite have copies. You look at the cattle production and he makes one comment: "With lower feed-grain prices in the west," now that's a pretty good prospect isn't it. That's the first good thing for Western Canada. He says, with lower feed-grain prices in the west, that's a good prospect for Western Canada.

It is foreseen that in the cow-calf sector there will be a tendency to feed a greater number of calves on the prairies. But then he goes on to say, "Furthermore, it would be more advantageous to sell increased production of fed cattle from Western Canada to markets in western and southwestern markets."

MR. D. BLAKE: What page was that?

HON. A. ADAM: That's on page 10. It says, "Furthermore, it would be more advantageous to sell the increased production in the west," he's talking about west production, "of fed cattle from Western Canada to markets in western and southwestern United States." That's where the cattle have to go.

MR. S. ASHTON: That's you guys.

HON. A. ADAM: Now he says, "We've already seen that the cost of transporting meat from Calgary to Montreal is \$8.51 cwt and \$5.91 from Calgary to Los Angeles for a difference of \$2.60. We foresee these transportation costs will increase to \$11.02 and \$7.65 respectively in 1985-86 with corresponding differentials of \$3.37."

Finally, "We would note the State of California purchased about 44 percent of its beef requirements, 1.4 billion pounds from outside the States." But nevertheless, Mr. Speaker, he is making it very clear, "Increased western beef production over the long term, while important in Canadian terms, remains insignificant in terms of overall North American requirements."

But, Mr. Speaker, what Mr. Pepin is telling the eastern producers is, you don't have to worry about all that jargon and mumbo jumbo that he came out west to tell the western producers, you don't have to worry, it's not going to hurt you because it's not going to happen, that's the size of it. He makes it very clear. He was talking about increased production in livestock in Western Canada and he says, "There is no reason to believe that relative growth of this sector will be dampened by the new policy." So he was referring now that there would not be any benefits as far as livestock production in Western Canada.

We go back to the hog production and that's where the bigger concern was in the east, and again at the present time, western pork does not reach Quebec markets even though its price is approximately \$2 per cwt higher in the east than in the west. This fact can be easily explained. The transportation cost of 100 lbs. of pork from Calgary to Montreal is \$8.51, the same as the livestock, which results in a gap of \$6.50 per cwt. With a new policy, the western producer could save \$3.17 per cwt in 1985-86 on the feed costs of livestock according to Agriculture Canada. However, transportation costs for meat would have increased correspondingly from \$8.51 to \$11.02, still leaving a gap of \$5.84. Thus the cost of transportation from the west to the east will continue - I want to point this out and the members can read for themselves - to favour the competitive position of the Quebec pork industry in eastern markets.

That's clear, Mr. Speaker. It's absolutely clear that they spoke in the west indicating that there would be a lot of livestock production and red meat production here because of the change in the Crow. But then when they went into Quebec and in the east, they said, "You don't have to worry about changing the Crow. They're not going to bother you one bit," and when Mr. Pepin was here the other day he told us the same thing.

MR. C. MANNES: You're jumping all over the place. Be consistent.

HON. A. ADAM: I'm not jumping all over the place. I am reading from a document.

MR. D. BLAKE: I know, but make your speech, not his.

HON. A. ADAM: I'm just indicating how he was able to con the west in putting the Crow on the table. Mr. Speaker, that is what happened.

On another one of their pamphlets that they sent out - Eugene Whelan sent that one out I think - it says, "The Crow goes without a flap." It means that nobody's opposed to getting rid of the Crow. That is what it says here. — (Interjection) —

SOME HONOURABLE MEMBERS: Oh, oh!

HON. A. ADAM: We've always known. They put a big ad in the paper in Montreal, "The Crow goes without a flap," and one of the items that they had in there was that, for example, in the Gazette in an ad stated, "Higher transportation costs will prevent western pork and beef producers from becoming more competitive

with their eastern counterparts in their traditional markets."

MR. D. BLAKE: Montreal Gazette or Manitoba Gazette?

HON. A. ADAM: That was Montreal. He was telling the easterners up there that transportation costs would prevent us from being competitive ever with eastern markets. So all they want up there is cheap grain, so the freight costs will look after the rest. The Board, the Pool, have now found out what happens when you sit down and negotiate your life away and now they know that there is a package that will be very difficult to change. — (Interjection) — I'm a member of the Pool. Unfortunately they've never canvassed me or asked me for my opinion. They've never asked me, Mr. Speaker, and I've been a member of the Pool for many many years, United Grain Growers, and you know neither of these farm groups have ever contacted the membership to find out the grass-root opinion on this issue.

That is why, when members start to read their mail over there, the members of the opposition, and they found out that it wasn't only NFU members that want to keep the Crow, but there's also a lot of Conservative farmers and there's also a lot of Liberal farmers. They want to keep the Crow as well, Mr. Speaker. Members opposite two years ago were speaking much differently than they are today and that is when they started to read their mail, and they found out there were a lot of grass-roots people out there that voted Conservative faithfully election after election that were very upset that the Crow was going to be thrown away without a flap.

MR. C. MANNES: You'd love to have those people, wouldn't you, Pete?

HON. A. ADAM: Well, they will be coming our way if you fellows don't take a position. Now, I want to say, Mr. Speaker, if all the farm groups and the Conservative Party had been, in the beginning, consistently trying to maintain the statutory Crow rate, we might still have it. It might be here and the package might not even have gotten off the ground. Now I think that there's still time to reject this package but I want to say that the time is running out and we have to present to Ottawa a solid front from Western Canada farm people, people who are going to be seriously affected by the change that is proposed at the present time, Mr. Speaker, and unfortunately it's not only the farmers that are going to suffer. It is going to be the business people who the farmers deal with, and it's going to be the people that the dealers deal with, and that is Winnipeg and the whole chain is going to suffer because it's going to ripple right through.

MR. A. ANSTETT: The Royal Bank won't be able to pay pensions.

HON. A. ADAM: Furthermore, Mr. Speaker, there could have never been a worse time to come in with added costs to the farm community. I happen to believe that the Federal Conservatives would like to see this package come in. Well, they voted with the Liberals 75 times in

the last Session and they would like to see it come in, but they would like Trudeau to do it so that they don't have to take the blame. Then you have an election, and Trudeau is out and the Conservatives are in or the NDP, and if it happens that there is a Conservative Government in Ottawa, well, the Crow has been changed, and that's gone, so that's fine, let's carry on business as usual. So I suspect that they would like to see it but because of the grass-roots opposition in Western Canada they have a bit of a dilemma. We are putting on the table a resolution which . . .

MR. D. BLAKE: Where did it come from, Pete, where did it come from?

HON. J. STORIE: What are you worried about that? Just vote for it.

MR. C. MANNES: Here's a piece of paper, sign it.

HON. A. ADAM: Mr. Speaker, I want to say to the Member for Pembina, the Member for Minnedosa, the Member for Birtle-Russell, and for Morris that we didn't bring this resolution in to embarrass anyone.

MR. S. ASHTON: They embarrassed themselves.

HON. A. ADAM: We don't want to embarrass the opposition; we don't want to embarrass the Saskatchewan Government. We want a solid western front in opposition to the Crow package.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. A. ADAM: We want a solid front. We're inviting you to come in. Mr. Speaker, there is a difference between the Saskatchewan resolution and the one that we have put forward. They brought in a resolution which was a pretty good resolution and we felt that they went so far and then they stopped. They said we don't like this, we don't like this, and we don't like this, and it's negative, so we don't support it. We said, well, we will adopt that resolution and we will add something to it, so that we will do something about this thing. We can't accept the package, so we're going to have to come up with a different proposal. We have put on that we will have the Agriculture Standing Committee of the Legislature deal with this the same as we're dealing with the Assessment Review. We will have the Agriculture Committee go out and meet in Manitoba with farm groups. — (Interjection) — No, no, by the end of March, the end of April, it's got to be all through.

Pepin - we told him we've got a resolution in the House and we said to Pepin we've got to deal with that. We're going to send a committee out and he says, well, hurry up and do it, please, hurry up. We said we'll do it as fast as we can, and that is why we are inviting members of the opposition to join with us to form a solid block. We have the Pools behind us, we have the Saskatchewan Government, we have the Alberta Pool, we have the Farmers Union and we have them all, let's form a solid front and tell Pepin where to go with his package.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Speaker, I move, seconded by the Member for Fort Garry, that debate be adjourned.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

It is moved by the Honourable Member for Pembina, seconded by the Honourable Member for Fort Garry, that debate be adjourned.

HON. B. URUSKI: Mr. Speaker, I would like to speak if the honourable members on the opposite side are not prepared to speak. We want . . .

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Thank you, Mr. Speaker. If ever there was a time in the history of this province and of Western Canada for all political parties to unite, now is the time for that to happen in terms of this debate.

Mr. Speaker, if ever there was a time and an opportunity for members of the opposition, members of the Assembly of this Province of Manitoba, representing all the constituents, all the farm, the entire peoples of this province to unite dealing and attempting to deal with one of the most fundamental issues that will affect not only the urban centres but the entire Western Canadian part of this country. What do we hear this evening? What do we hear from members of the opposition? We had a resolution in this House condemning the Pepin proposal last Session and they carped and they said, look you're way out of base, we're not supporting you and we're not voting for it. They said there have been comments before, why we don't deal with major agricultural issues and go out to rural Manitoba and discuss it with the farmers of this province. Now, this kind of proposal is coming forward and saying, look, let's go out and speak to the farm community when we know who the actors are; the major actors who have been brought to the table are now in opposition to a proposal made by the Federal Government, and what do we hear from the opposition? Look you're wasting your time, you really shouldn't be talking about this here. You really should be going to Eastern Canada. Is this an opposition that really is attempting to voice the opinions of their constituents and of the people they represent, people of Western Canada and of this province? It is their constituents who will be affected in the most negative way, Mr. Speaker. It is the constituencies of southern and southwestern Manitoba that will be the most adversely affected.

Mr. Speaker, you could frankly have some feelings for the opposition prior to the Pepin proposal when they said, look, we really don't know what's going to happen. Why are you now going ahead with resolutions and putting a case forward for total opposition when you really don't know what Pepin will say? One could accept that kind of argument because what's what came when the resolution was before this House last Session.

But, Mr. Speaker, what has happened? In fact, the worst fears of members on this side of the former Government of Saskatchewan in terms of positions put forward, have been realized, Mr. Speaker. In fact, not

only have they been realized, they are there in black and white and yet, Mr. Speaker, what do we hear? Well, we have the Member for Arthur, the agricultural spokesman, at least he is true to his position when he is saying, look, I'm prepared to let it go. I'm prepared to have the payments split whichever way, we'll see. At least he is true to his position. He's not backing off from where he was.

But, Mr. Speaker, to now say look, when there is a chance to have all political parties in Western Canada unite along with whom, Mr. Speaker? Not alone, but with whom? With the representatives of the grain producers because, Mr. Speaker, the Federal Minister of Transport, in his announcements, said that he had the consensus of Western Canada on his side. Who does he have, Mr. Speaker, on his side? Who represents the major farm commodity groups dealing with the transportation of grain, Mr. Speaker? The Farm Bureau.

You know, here we have the Member for Morris talking about the Farm Bureau and that's very interesting, Mr. Speaker, because we met with the Farm Bureau last week. Even the Farm Bureau now is saying look, we are very concerned about this issue of the method of payment. They were in full support of that, the Farm Bureau. The Farm Bureau was in full support of that position. Now they are backing off, Mr. Speaker, they are at least. But who? All the major farmer-owned grain organizations of Western Canada are in complete diametric opposition to what Pepin has offered. Where is that consensus, Mr. Speaker? Where is that western consensus that he talked about? There is no consensus, Mr. Speaker.

Where does the opposition stand in terms of wanting to gain the support of their constituents and of all the peoples of this province against what we believe to be irreparable long-term damage to the changes that are being proposed? I believe that the opposition would want to join.

I'm not very happy with some of the statements in the resolution but at least, Mr. Speaker, it does point out that the Government of Saskatchewan and the opposition of Saskatchewan, while there are fundamental differences in terms of philosophy, are saying, let's get together because this issue is bigger than the both of us. This issue goes beyond the political parties of this province, goes far beyond. It goes to the long-term heart of where rural Western Canada will be 10 or 20 years from now, Mr. Speaker. That's what's at the nub of the issue, Mr. Speaker. That's really what's at the heart of the issue.

Mr. Speaker, I hope that the Member for Roblin - and he can talk from his seat all he wants - he will get up along with other members, especially the Member for Morris, who represents the heart of the grain-growing areas of this province, the Member for Morris, the Member for Pembina, Mr. Speaker, — (Interjection) — Well, Mr. Speaker, if we're talking about grain-growing areas, some of the ridings represented by those two men come from the most fertile areas of the province, in terms of the Red River heartland and they know what I speak of.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. B. URUSKI: Where is this issue going to end? Mr. Speaker, unless there are major changes in the

federal position in terms of — (Interjection) — Well, Mr. Speaker, here we are, the Member for Roblin-Russell indicating, nationalize the CPR.

Mr. Speaker, any shrewd businessman, if he's going to put up money for any kind of activity in a company, he surely wants to have some guarantees and some return on that investment. Surely you go to any farmer, any of you shrewd businessmen on the Conservative bench would realize that if you're going to put up the money, that you want something in return. Are you disagreeing with that? If you're going to put up hundreds of millions of dollars in the next number of years in terms of public investment to build up the infrastructure of a private company, would you call that putting your snoot in the trough without having any guarantees back? Is that what the honourable members are saying, that somehow that is socialism, Mr. Speaker? That is pure, sound business sense, Mr. Speaker, that if you're going to put up the money you want something back in return. If the Honourable Member for Roblin is advocating something different, Mr. Speaker, he has another think coming. That just goes to show you how much common business sense that member has in this Legislature.

Mr. Speaker, there is an opportunity of a lifetime and I urge the opposition to — (Interjection) —

MR. SPEAKER: Order please. The Honourable Member for Pembina on a point of order.

MR. D. ORCHARD: No, Mr. Speaker. I'd just like to ask the Minister of Agriculture a question.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: No, Mr. Speaker, not till I'm through. He will have his opportunity when I'm through, to ask any questions that he wants.

Here we have, Mr. Speaker, an opportunity of a lifetime, and what are we getting? We're getting a bit of pussyfooting. We're getting a bit of changing the issues. I shouldn't go after the members of the opposition that hard, Mr. Speaker. I want the members of the opposition to clearly state, that we in Western Canada are united.

Mr. Speaker, our best ally in this whole argument is the farmers of the Province of Quebec and the Government of Quebec, because the Member for Arthur at least said one thing, that the political power rests in the east. But, Mr. Speaker, unless we in the west can show that we are united in this stand in opposition and utilize the support that is being generated in Eastern Canada, we are doomed to fail. We are doomed to fail, Mr. Speaker, and I urge the members of the opposition to join with all the members in this Assembly - never mind NDP, Conservative, Mr. Speaker - you just have to go to some of the farmers' meetings that are being held across Western Canada. It makes no difference whether you're a Social Credit; whether you're WCC; whether you're Conservative; whether you're NDP, they are all united, Mr. Speaker, because they see the handwriting on the wall, what it means, not only to their pocketbook in terms of the cost that they will face, but what it means for their communities down the road.

Mr. Speaker, it is very clear that what will occur, and it won't occur overnight, that if these fundamental changes come into play, and one can kind of sympathize with the pools. They knew that some change was going to come about and if they didn't participate they would be viewed as being totally anti, but yet they were put in such a position that they were - you can't help it - but they were sucked in because they wanted to be at that table and they wanted to negotiate. They wanted to negotiate the best deal that they thought they could get.

But, Mr. Speaker, they were sweet talked into something but they were past the point of no return. They were gone, they were taken in too far. Now, they really don't know what to do, Mr. Speaker. They really do not know what to do. They are asking for the help of all governments and people of Western Canada and Eastern Canada alike. They are now going out and are going to make, I believe, the most intensive lobby that there ever was against the proposals that are being put forward. Surely, as representatives of people in our own areas we can assist, even though the Federal Government told the governments of western provinces, you're not part of this thing. This is a discussion between the farmers and us. You're out of this deal. That's what they came and told us initially. You have nothing to say. We will tell you what is going on, but you have no process.

MR. J. DOWNEY: Did you ask to be part of it?

HON. B. URUSKI: Mr. Speaker, we asked what the process was going to be. We were told point blankly what the process would be. But now, Mr. Speaker, I don't know what the Member for Arthur is suggesting, surely he could have made those points in his remarks.

MR. J. DOWNEY: I did. I did.

HON. B. URUSKI: How has this really come about, Mr. Speaker, notwithstanding? You see, the dilemma I see the Conservative members facing is that this process was put into motion a number of years ago. It goes beyond your time. It goes back to Otto Lang. I mean, let's look at the history. It goes back to Lang's time when the setting up of the grains group and this process was put into place. — (Interjection) —

Well, Mr. Speaker, I'll wait to hear from the Honourable Member for Morris. I hope he decides to get up and speak on this issue so that we can get on with the business and deal with this issue in a united way and not put it off as being suggested by some of the honourable members.

Mr. Speaker, we really should show, not only our own people in this province, but show this country that we are united in opposition to this one issue. I believe that is one message we have to come to. But as I was saying, Mr. Speaker, this issue began a long time ago and the dilemma that Conservatives face, of course, is that notwithstanding there is a Liberal Government here, the process began with the Liberals taken over by the Conservative.

I mean, Mr. Speaker, the Deputy Minister of Transportation was appointed by a Tory Minister. He came from Alberta, that process was in place. It was

started. In fact, I believe that in '79 when the then transportation critic, the Member for Vegreville - I think it's Mazankowski - was interviewed on January 4, 1979 about the Crow rate. He indicated and said, "All I can say is that there has to be some other way devised to return the benefits of the Crow rate to grain farmers. Although it is now committed to retaining present Crow rate levels, the Party P.C. could change its mind if producers decide they should pay more for the cost of moving grain."

Mr. Speaker, there is no doubt that a number of Conservative members, including the previous Minister of Transportation, would have been prepared to put the changes into effect. In fact, the Member for Parliament representing areas that are now represented by the Member for Morris and the Member for Pembina, has openly said, look, this change has to be made. The sooner the better, notwithstanding the difficulties that his constituents will face, Mr. Speaker, in terms of the long-term impacts of the changes to the Crow rate. They are prepared to go with it.

Well, if that's the case, Mr. Speaker, at least let the Conservative members of this Legislature stand up and be counted. As one would say, put their money where their mouth is. Let's get it on the record and say look, Mr. Speaker, forget it. We want the change to go through. We are not prepared to participate in trying to rally the producers of this province and of Western Canada together on this issue. Forget it. It's gone. We support, as the Member for Arthur has indicated - he's prepared to consider - not only consider - he said look, I am prepared to have the money split to the railways, or to the farmers or to a bit of both, I am prepared to let that go. Fundamentally, Mr. Speaker, he is in total opposition to the major farmer-owned grain company of this province who said, if that one issue goes through - the payment to the railways - that will do irreparable damage to rural Manitoba in the long run, because along with that automatically comes the issue of, as is nicely put forward, incentive rates, the issue of incentive rates. The member of course says, let farmers make their own decisions and gain the performance of the railways.

Mr. Speaker, we've seen it for the last several decades where we know that it is more efficient to haul commodities by railway, but the railways have deliberately gone out and ruined their business. I mean the Member for Lakeside knows full well, that within the Interlake region the railways played a major role over the years in hauling bulk commodities such as fuel, fertilizer and that. It is virtually non-existent today because they have basically ruined their own business. They did not want to haul. Somebody — (Interjection) — that is absolutely true, they do not want to haul. That is a commodity, Mr. Speaker, for which we pay full compensatory rates, the commercial rates. So how can some members say that if we pay the full compensatory rate, we'll have better service? When was that borne out? Mr. Speaker, we have railways to the Steeprock area in the Interlake, on the west side; the railway will be there, yet constantly day in and day out we have about 15 semis hauling crushed stone from Steeprock to the City of Winnipeg.

MR. D. ORCHARD: Not any more, Billy. You closed the cement plants.

HON. B. URUSKI: Mr. Speaker, is that efficiency? I mean is that efficiency in terms of how the railways want the business and will improve the service to farmers? No, Mr. Speaker. What will happen, it will be a self-fulfilled situation. What you will have is that farmers will ultimately get a better deal on a main-line elevator and maybe a few more cents because of the variable rate question coming in. The incentive rates will be there, so what will happen? The farmers will load their three tons; if it's too far to haul, if it's 60 miles, we'll buy a semi-trailer and we'll haul that 60 miles, notwithstanding that it may ruin all the roads in their municipality; it will play havoc with the provincial roads. That's why the Pools, Mr. Speaker, are so worried about this issue.

Mr. Speaker, it's clear, the Pools have over 3,000 elevators in Western Canada. It is envisaged already that there will be, over the next several decades, a reduction by approximately 2,000 elevators, down to maybe 1,000 elevators in Western Canada. Mr. Speaker, all you have to do is look at the rationale and the discussion that is being put forward by one of the former Hall commissioners, a former member of my department who was on the Hall Commission who has already admitted that he didn't agree with the Hall Commission. He said that in that plan we will end up - and it may be the best thing for us - we'll end up with 1,000 elevators, Mr. Speaker, farmers' equity, not only an increase in rates, but farmers' equity in those capital investments in service to the rural communities will go down the drain, Mr. Speaker.

Even the members opposite know that once a farmer decides to do his business by hauling his grain towards another community he knows that his business will go elsewhere. I think honourable members know that will be the outcome, and it will be a snowball affect to rural Western Canada or rural Manitoba. And even the small businessmen in rural Manitoba know that will happen, Mr. Speaker, that will be the outcome. But it won't happen overnight - we know it won't happen overnight.

We made some predictions before. They are right. Our worst fears were confirmed in the Pepin proposal and, Mr. Speaker, that's what I can't understand with members of the opposition. If there ever were doubting Thomases, it looks like the members of the opposition. First of all, when we brought in the previous resolution, we said, this is what we see is going to happen. They said, look, do you know what is written in the Pepin Proposal? You don't know what the proposal is. Why are you already being so negative. Why are you putting all these points forward? What are you intending to do - scare people? - and the like.

Mr. Speaker, what we said when we brought in the previous resolution, what we anticipated was going to happen, is going to happen, is going to happen in spades, Mr. Speaker. It will happen in spades and then some. Some of the members opposite have said that they are not in support of variable rates. You know the new President of the CNR stated long ago, as soon as he was appointed, that he wants to see incentive rates; he wants the system to be efficient. Mr. Speaker, and how will you get an efficient system? You know how you get an efficient system? You offer a better rate on main line. The elevator companies can offer a bit of a better price, a bit of incentive; the farmers move the grain down there; the elevator is not doing the volume it was doing before, the local elevator.

Mr. Speaker, it will happen just as sure as the Lord made little green apples. It will happen in that way. It won't happen like this. It will be a gradual process but it will happen. So, Mr. Speaker, the members of the opposition, I hope, very quickly in this issue and not to procrastinate and not to now become carping, show Canada, show Eastern Canada, show Pepin, show their colleagues in Saskatchewan that they are prepared to stand behind in unison against this proposal, Mr. Speaker.

Mr. Speaker, at times I might get carried away on this issue. There is no more major issue facing the entire country, not only Western Canada but the entire country, than this issue in terms of basically the long-term, I would say, not only lifestyle but the livelihood of Western Canadians. It goes far beyond. In terms of Manitoba, Mr. Speaker, there are no benefits. Yet the Federal Government is so concerned about the western opposition that they have gone on to a major campaign in the Province of Quebec to convince their farmers that what they're doing in the west is not going to hurt them. But just in case you think that it's going to hurt you, we're going to soften the blow and we're going to increase livestock production; we will protect you. But just in case you think we're going to hurt you, we're going to even soften the blow and yet in Western Canada, Mr. Speaker, they say that there will be increased livestock production; there will be increased special crop production.

Mr. Speaker, Manitoba, for one province, in the last decade-and-a-half has developed its special crops, has developed a lot of the processing notwithstanding the Crow. I think the Member for Morris, of any members, realizes that, because if any constituency - the Member for Pembina, the Member for Morris, the Member for Rhineland - those areas moved into the special crop production notwithstanding the so-called disincentive of the Crow rate, Mr. Speaker. They have moved into that area and we are a major producer of special crops but, Mr. Speaker, the special crops are a very delicate commodity on the marketplace, very delicate. Mr. Speaker, - I don't know what the member said - he said we're able to make money on them?

Mr. Speaker, farmers have made money, notwithstanding the compensatory rates that they have - (Interjection) - that is correct. For the Federal Government to suggest in some way that if they do away with the Crow, will be more money made by the farmers in Western Canada on special crops? Of course not. Will there be an expansion? Mr. Speaker, if there will be an expansion where will the expansion be and at whose expense, and what will happen to that delicate market? The member knows very well, what's the bean market like today, Mr. Speaker? That's right, what are the lentils market today? What are the grass seeds markets today?

Mr. Speaker, the member well knows that the market is very delicate, it is indeed very delicate, and to make any suggestion that the changes in the Crow rate will somehow enhance our position, I doubt it. Where we have had no difficulty, and we have since last we were in government in the '70s supported the oil seed industry, there is no doubt, in terms of saying that there should be equal treatment for the shipment of meal and oil as related to raw seed, Mr. Speaker.

MR. C. MANNES: The movement of oil.

MR. B. URUSKI: Mr. Speaker, what did the member say, subsidize oil? Mr. Speaker, there you go, on the one hand the Leader of the Opposition says are you prepared to put money into projects that are generally at the discretion of the Federal Government, and the Member for Morris goes on to say but you won't subsidize the shipment of oil. Mr. Speaker, absolutely not, but in terms of treatment of the product, at least we have been consistent in terms of our approach. Mr. Speaker, here we go again, close the plants in Western Canada. Mr. Speaker, the member should know that in this last year the plants in Western Canada crushed more seed than they ever have crushed in their history. — (Interjection) — I believe in '82, in the history of this country. But, nevertheless, Mr. Speaker, I hope that the honourable members on the opposite side will take off all prejudice that they may have on this issue and any preconceived ideas and to go full blast ahead, join with all Western Canadians and join with Eastern Canadians because they understand, the Eastern Canadians understand.

Mr. Speaker, we want to have a united front dealing with this issue. We hope that in discussion and dialogue with the farmers of Manitoba that there can be a united front come out of those meetings and I urge the honourable members to support that process.

MR. DEPUTY SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: My adjournment motion stands, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I rise to take part in the debate on this resolution perplexed at the reluctance of members opposite to debate the most important issue that faces Western Canadians.

HON. S. LYON: How would you know?

HON. A. MACKLING: I'm appalled - now the Honourable Leader of the Opposition from his chair is starting to hurl insults again. Well, Mr. Speaker, I would advise . . . and there's the chatterbox from Pembina again.

MR. DEPUTY SPEAKER: Order please.

MR. D. ORCHARD: You betcha, when you're talking about chatterbox . . .

HON. A. MACKLING: Mr. Speaker, there are animals in the zoo that have more dignity than the honourable member from time to time.

MR. DEPUTY SPEAKER: Does the Member for Pembina have a point of order?

MR. D. ORCHARD: Mr. Deputy Speaker, in your infinite wisdom, as presiding officer of this Chamber, would you consider the last comments that the honourable lawyer and Minister of Natural Resources just put on the record to be entirely parliamentary?

MR. DEPUTY SPEAKER: I don't believe there is any reference in Beausheerne to members of the zoo. I would, however, hope that we could preserve some sort of decorum in this Chamber on both sides and I would hope that we would all accord a fair hearing to the Minister of Natural Resources.

MR. D. ORCHARD: Mr. Deputy Speaker, on a point of order. Then, Mr. Deputy Speaker, would you consider on a point of order that that was an innuendo and an insult that was provocative to the debate and the level of decorum in this Chamber that was just put on the record by the Honourable Minister of Natural Resources?

HON. A. MACKLING: Mr. Speaker, little did I realize the sensitivity of the honourable member considering the noise that he was making, but let me change it to this. I won't characterize the noise I heard as similar to what I'd heard in a zoo, I will just say that the noise that I heard reminded me of the last time that I visited the zoo.

Now, Mr. Speaker, I am appalled at the apparent reluctance of Members of the Opposition to stand up and speak out for Western Canadian farm interests by at least addressing the issues in this resolution. I respect the Honourable Member for Arthur for at least rising and speaking on the resolution, and what he indicated I'm not sure because apparently he practised the same kind of rhetoric he did on an earlier resolution in this House. He spoke on both sides of the issue and apparently indicated, well perhaps we will amend the resolution. Well, the farm folk in Manitoba are listening and watching to the debate on this resolution, and I want the honourable members in the Conservative Caucus to realize that their political future is at stake.

Mr. Speaker, let's review what the facts are. Let's review what the facts are.

A MEMBER: Don't confuse them, Al.

HON. A. MACKLING: A resolution produced by the government on this issue in the previous Session was talked about by Members of the Opposition. They were neither for nor against it. They were seemingly for a significant change in transportation rates. Oh, they weren't sure whether they were really against the Crow, but then change had to be made. They implied that they were happy to go along because that was the message that they got federally from their federal party. That's what appeared to make sense to the farmers in Ontario, the farmers in Quebec, because after all, it was going to facilitate the interests of Canadian farmers generally.

Well, Mr. Speaker, they were neither for nor against. Now we have produced a resolution, yes, it is four square with what Conservatives in Saskatchewan agreed to, but it adds further that we'll go out and talk about it in Manitoba. We'll go out into Melita; we'll go out into Souris; we'll go out into Birtle-Russell and we'll talk to farmers about this issue. Are they afraid to do that? Are the honourable members afraid to pass this resolution so the standing committee can go out and talk to Manitoba farmers about it? Because if that's what they are afraid of, they are indicating it but their

refusal to stand up and deal with this resolution as quickly as possible in this House.

A MEMBER: They're afraid AI, that's it.

HON. A. MACKLING: This resolution calls upon Members of this House, Mr. Speaker, to deal with this issue quickly. It is a matter of fundamental importance to farmers in Western Canada. What are Honourable Members of the Opposition doing? They're wanting to adjourn debate. They're wanting to postpone a decision until they try and make up their minds as to how they're going to try and abuse their political problem.

Mr. Speaker, it's high time that Members of the Opposition listen to what farmers are saying out there. Farmers are concerned because what's happening is that the Trudeau Government enjoys the sympathy of the Progressive Conservative Party in Ottawa - 75 votes, that's what the record indicates. The Progressive Conservative Party in Ottawa is happy to go along with this attack on western agriculture. That's the decision. But let me tell you, Mr. Speaker, that the farmers that reside in the constituencies of members opposite are not going to let them forget unless they get off their butts and speak in favour of this resolution.

HON. S. LYON: Broadbent and Trudeau are in bed together, you know that.

HON. A. MACKLING: Mr. Speaker, I am hearing the rants and ravings of people who are obviously concerned now, and they ought to be concerned at their lack of initiative in respect to this issue.

MR. S. ASHTON: Squirming in their seats.

HON. A. MACKLING: There is no question but the principle involved in this attack by the Liberal Government is to wipe out statutory rates. That's the principle and the statutory rates were the bedrock of the development of Western Canada.

The Honourable Members Opposite, including the Leader of the Opposition, like to talk about rights, Constitution. Well, Mr. Speaker, the fabric of Western Canada was based upon a transportation policy, the development of the west. Farmers were encouraged to come and settle in the west on the basis of land and on the basis of an assured transportation at reasonable cost. That was a bargain that was struck, Mr. Speaker. That was a bargain that was struck with the CPR. The Honourable Leader of the Opposition laughs. That was a contract.

Mr. Speaker, I had the privilege recently to see a pictorial display of the vastness of the land grants to the CPR. It was mind-boggling, Mr. Speaker, mind-boggling. I had pictured a land grant that involved a certain reasonable number of sections of land on either side of the transportation corridor that was the CPR. Mr. Speaker, you should see the significant blocks of land granted, not along the right-of-way, many miles from it. What for? For the efforts that the railway was going to make in respect to the Souris or the Pipestone branches. It's incredible, Mr. Speaker, to see that display of the many hundreds of thousands of acres of western Canadian land that were given to the CPR together

with the multimillions of dollars on the basis of a contract that there would be transportation provided for the farmers who settled in this land - transportation at a reasonable rate. That's what Western Canadian farmers are fighting for today. What are honourable members over there doing? Well, Mr. Speaker, they're so hung up about private enterprise that they just think that the massive giveaway to the CPR is delightful.

Perhaps honourable members should take off their blinkers and realize that if the public trough is going to be raided again on a massive scale for infrastructure for the CPR, we'd better have some equity in it. Why, Mr. Speaker?

Now the honourable member rises and I suppose he has another point of order.

MR. SPEAKER, Hon. J. Walding: The Honourable Member for Pembina have a point of order?

MR. D. ORCHARD: Mr. Speaker, would my learned colleague permit a question?

HON. A. MACKLING: Mr. Speaker, the honourable member will have an opportunity to speak and he had all sorts of opportunities tonight to speak, but he sat and squirmed. Well, he can squirm now, Mr. Speaker.

You know that the honourable oppositions' friends in Ottawa - and they are the friends of those in Ottawa, Mr. Pepin and all the others, Eugene Whelan for all his gruffness - they put out a nice big ad which says, the Crow goes without a flap. Certainly not a flap from over there, Mr. Speaker. Not hardly a word. Well, you know, hardly a whimper. They really don't care, Mr. Speaker, they really don't care.

Mr. Speaker, the bargain that was struck in Western Canada is that this land so far removed from tide water, could produce grain, valuable grain for the world, but we had to have assured a reasonable transportation system. That's still a historic bargain, but that bargain is being written off by members opposite by refusing to fight to make sure that statutory bargain, that statutory arrangement is upheld for Western Canadians. That's a disgrace, Mr. Speaker.

Mr. Speaker, there is a provision for costing in these arrangements. Honourable members, I hope, will have an opportunity to look at that costing. Hopefully, Mr. Speaker, I will have an opportunity to review the cost arrangements later on either tonight or tomorrow.

It is a shock, Mr. Speaker, because what is suggested to be a reasonable bargain for the farmers is no bargain at all. The farmers are faced with increased costs. Will someone over on the opposition side say that's not the case, that there won't be a significant increase to farmers for movement of their grain? If any honourable member over there can say nay to that, I would like to hear them.

No one will question that farmers in Western Canada are faced, have been faced, with increasing costs of the things they buy and a world market for their products that has been depressed. Yet in spite of these conditions a Federal Government is apparently, with the tacit approval of members opposite, going to increase costs of transportation to western farmers. — (Interjection) — Well, the honourable member says, not true. The formula provides for increased costs to

the farmers and it's not that it's just a trifling increase, a significant increase that will grow particularly when the 1986 phase-in period has been passed. That's fact. Honourable members just don't care. How come, Mr. Speaker? Why are they prepared to sit back and do nothing? I wonder, Mr. Speaker.

Mr. Speaker, you know, transportation for bulk products is essential. There is no question but the CPR and the CNR recognize that they have to improve their transportation system in the west. But where is all this big investment going to be made, Mr. Speaker? Is it going to be made in Manitoba? Is it going to be made on the Churchill line? No, no, Mr. Speaker. Where is it going to be made? Where are these significant investments going to be made? Well, we're going to twin the railroad all right, but it's not going to be twinned in Manitoba, it's going to be twinned through the Rockies. Why, Mr. Speaker, through the Rockies?

Federal Government has facilitated a continuance of the manner in which Canadians have operated in this country for a hundred years. We are committed to those people who are to mine and extract their resources and ship them overseas for development. The coal and the potash - that's what they need, Mr. Speaker. They need a more efficient transportation system for coal and potash through the mountains because that's where the markets are. That's where the big investments are going to be made, Mr. Speaker, and the honourable members over there know that. It's not hidden; it's not disguised. They're not concerned, Mr. Speaker. I'm ashamed of them.

Mr. Speaker, there's no question that once you take the ceiling, once you allow these rates to escalate, good private enterprise is going to say, well, if I had my grain delivered on the main line or within close proximity of the main line, why should I pay as much as someone who is way down the branch line? It doesn't make sense, Mr. Speaker, does it? Good private enterprise, the kind of dogma that fastens and enslaves members opposite and federal Liberals and federal Conservatives will dictate that there can be no continuing subsidy. Farmers cannot be subsidized, they have to be good private enterprisers and pay what the market says they have to pay.

Mr. Speaker, western Canadian farmers can't compete with farmers who are on tidewater. Other farm folk throughout the world are protected by governments, protected by tariffs, subsidized for transportation. Honourable members put their heads in the sand and say that isn't the case. That is fact, and our agricultural base will not exist without efficient low-cost transportation. That is a fundamental. It has been for a hundred years and must continue. So members opposite cannot sit quietly by and see this massive attack occur.

The Pool initially was quiet. They appeared to accept what was the blandishment from Ottawa, that agriculture could be improved. And there was a suggestion that - and we heard the debates earlier - western Canadian farmers will be able to raise more beef. We'll have the natural advantage because instead of shipping the feed grain down east, we'll feed it here. We'll have a lot more hogs; we'll have a lot more cattle and then we'll be able to sell more down east. Well, you know that was the idea honourable members had, apparently. That's the idea that the Pool had, but what

happened, Mr. Speaker? The farmers in Quebec said, hey, we enjoy cheap feed grain and we are not going to give up the rights we have to be able to feed grain to cattle here for the market we have right close at hand. We want a continuance of subsidized grain. And this federal Liberal Government will go along with that, Mr. Speaker. There are far too many votes in Quebec to turn off the Quebec farmers but they don't have to worry about Western Canada because the members opposite are prepared to sleep on this issue. That's the problem, Mr. Speaker. They're ducking.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please. Order please.

The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, perhaps I appear to be too emotional on this subject but if I do, Mr. Speaker, it's within me dwells a rage that elected politicians who seemingly support the interests of farmers in Manitoba have either sat silent or they have waffled on this issue. It troubles me, Mr. Speaker, and I wonder at how this could happen.

Mr. Speaker, there's no question but the Manitoba Pool finally realized that if the payments are made to farmers, what kind of security is there in that arrangement because that is so weak it takes away the commitment of the government towards the transportation system. The government then is not subsidizing and maintaining a comprehensive transportation program, is not providing a subsidy to ensure transportation by assisting the railroads. No, they're going to assist the farmers in their transportation costs.

The burden now is being shifted from the government's responsibility to provide a rail system. That responsibility is being shifted to the user. The user will pay.

MR. F. JOHNSTON: That's your philosophy.

HON. A. MACKLING: Well, the honourable member says that's my philosophy. That's the philosophy of the honourable member opposite; let the user pay. And the user will pay - it'll be the farmer and he will be used.

Mr. Speaker, that is a significant shift of responsibility by the Federal Government away from its committed responsibility to provide a transportation system in this system and shifting that responsibility to the farmer.

Honourable members over there laugh. They laugh. That is the outcome of what the Federal Government is deciding to do. They are no longer committed to the railroads. They're saying they have a commitment to the farmers. The Manitoba Pool Elevators quite rightly sees this change in obligation and recognizes it for the weak, ethereal thing it is.

MR. D. BLAKE: How are they at the Port of Churchill, AI?

HON. A. MACKLING: And has taken the position, Mr. Speaker, that they can no longer accept the

program that's advanced by Pepin and accepted by Conservatives apparently, in this province.

MR. J. DOWNEY: Not true, Mr. Speaker, not true.

MR. SPEAKER: Order please. Does the Honourable Member for Arthur have a point of order?

MR. J. DOWNEY: Yes, Mr. Speaker, on a point of order. The Minister of Natural Resources has indicated to this Chamber a statement that is not correct. He indicated that the Conservative Party supported the Pepin plan, and I put on the record earlier today that that was not the case.

MR. SPEAKER: The Honourable Minister of Natural Resources to the same point. Order please.

HON. A. MACKLING: Yes, speaking to the point of order, Mr. Speaker. It's a matter of interpretation of what the honourable member's been saying. I'm entitled to make my interpretation of what he's been saying. It's not a point of order.

MR. SPEAKER: Order please. The Honourable Minister of Natural Resources.

MR. G. LECUYER: You guys are so good from your seats. You're such great orators from your seats.

SOME HONOURABLE MEMBERS: Oh, oh!

A MEMBER: You're hiding behind Trudeau's skirts.

MR. SPEAKER: Order please, order please. Order please, order please.

The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I trust that the many minutes that have been taken up by interjections which made it impossible for me to continue, will not be counted against my time.

Mr. Speaker, we in Western Canada face this problem. Our fertile lands, so excellent for the development of cereal crops are a great distance from our major markets. Transportation is vital. All honourable members will recognize that. Transportation is key.

When you look at the probable inflation of transportation costs, just let the Pepin plan, apparently acceptable to members opposite; apparently acceptable. It's a matter of argument. I hadn't heard anything in this House to change my thinking. What will happen? You know, Mr. Speaker, it'll be cheaper in the long haul for Manitoba farmers to haul grain to Duluth for shipment that way. It'll be cheaper for us to put it on trucks and haul it down to the Mississippi; they'll run it out that way. We will have a north-south economy. We will have that developed. Oh, I hear good move.

Mr. Speaker, it was the development of a transcontinental railway in this country that was to link and tie this country together. It's a fundamental transportation link to make it possible for western Canadian farmers to be able to sell their grain on world markets. The honourable members are not concerned; they're not concerned about continentalism. I question their thinking when apparently they seem to welcome that sort of development.

Mr. Speaker, honourable members opposite have an opportunity overnight to reflect on their position. I hope, Mr. Speaker, they begin to think. I hope that at their next caucus meeting, they will recognize that we on this side are serious about the transportation threat; that this move by a Federal Government, supported apparently by Conservatives in Ottawa and with apparent support here - this threat to western Canadian farmers - I hope they will reflect on that overnight and know that this party, this government, is resolved to stand up and fight for western Canadian agriculture. We'll do it alone, but we will fight, Mr. Speaker. We are anxious to get out and join in the discussions, the dialogue with farmers in Manitoba on this issue. We want members to join us in this. We don't want them waffling with some weak, trivial amendment, Mr. Speaker.

A MEMBER: 'Trivial' - that's a new one.

MR. SPEAKER: Order please, order please. The time of adjournment having arrived, when this resolution next comes before the House, the Honourable Minister will have 13 minutes remaining.

The House is accordingly adjourned, and will stand adjourned until 10 a.m. tomorrow morning (Friday).