

legislation. I spoke earlier about the economic difficulties farmers are now facing in western Canada and other parts of the country. I speak with farmers in my riding almost every day who are experiencing difficulties they never thought possible only a few short years ago.

**Mr. Peter Elzinga (Pembina):** Mr. Speaker, in participating in this debate it is interesting to note how often our friends opposite have introduced closure into this House of Commons. In this session alone closure has been brought in a total of 18 times. This Bill is the nineteenth victim of closure and I am delighted to see that Members opposite have reconsidered their position as it relates to this legislation.

It is also interesting to note the participation by the Minister of Agriculture (Mr. Whelan) on a Bill which is going very seriously to affect the agricultural industry in this country. Do you know what his participation in this debate has been, Mr. Speaker? It has been to bring in closure. He did not say one word about how this legislation was going to affect an industry he is responsible for. Not one word. Neither would he have said one word had the Government gone ahead with its closure motion.

We have had insufficient time to analyse all the implications of this legislation, Mr. Speaker, and we require that time. It is also interesting to note that the majority of participation by the Minister of Transport (Mr. Pepin) has been outside this chamber. He has gone to the Press Club to make major announcements relating to this legislation rather than doing it here in this Chamber. Another Minister who has direct responsibility for western Canada is the Minister of Employment and Immigration (Mr. Axworthy). Perhaps the Minister of Transport could indicate to us whether that Minister is going to express his views on the implications of this legislation for the region of the country he comes from.

I repeat what my colleague the Hon. Member for Vancouver South (Mr. Fraser) indicated in this House earlier as it relates to the importance of this legislation to all of Canada, and specifically western Canada. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) indicated in the House on Friday, May 13, the importance of this legislation when he stated that this was the third major piece of legislation which has come before this Parliament after the patriation of the Canadian Constitution and our national energy policy.

This legislation, Mr. Speaker, requires time so that those within the agricultural community can have input. There are many provisions of this legislation which I will never understand because I am not as closely associated with western transportation concerns as my colleagues, the Hon. Member for Provencher (Mr. Epp) and the Hon. Member for Vegreville (Mr. Mazankowski). But let me just highlight a few of the items we are dissatisfied with.

The distortion of the low freight rates in grain and oil seeds vis-à-vis processed products should be removed and the natural advantage retained. Payment directly to the railways, which is in this Bill, will further distort the existing freight rate anomaly and mitigate against further diversification. The Act will now cost livestock producers \$20 a tonne in extra costs to

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offset the subsidy to grain producers. It is fundamental that western Canada's agricultural base must be broadened and diversified to permit more processing in western Canada. According to the Minister's own figures, the distortion will result in the loss of an additional \$1 billion in livestock production, and an additional \$350 million worth of economic activity with respect to processing, packing plants and the feed mill industry in western Canada.

**Mr. Pepin:** All false.

**Mr. Elzinga:** Mr. Speaker, grain producers must have a statutory freight rate which preserves the benefits of the Crow and must be protected from open-ended escalation. What this Bill does is to ensure that producers will be paying double the existing Crow rate by 1985-86, which means that an additional \$160 million will be taken out of the prairie economy. They will pay five and a half times by 1991-92, which means that more than an additional \$1 billion will disappear from western Canada. In 1982, Mr. Speaker, farmers' net income plummeted by 35 per cent while energy costs throughout Canada have risen by 81 per cent since 1979.

There is no statutory protection for the farmer in this legislation. It has been transferred to the federal Government which will pay a frozen amount, \$651 million annually, in perpetuity. The 31.1 million tonne cap will provide a further disincentive to increased grain transportation. Producers should be guaranteed an efficient, cost-effective and reliable grain transportation system, and under this legislation there will be no railway performance guarantees for the first three years. The Bill totally ignores other methods of providing efficiency and cost effectiveness to the rail and transport system.

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The Government of Canada and the railways have a continuing obligation to provide a special low rate to assist producers competing with subsidized grain export nations. Let us review what other countries do for their grain producers. In Australia, under the Victoria State railway system, farmers pay less than 50 per cent of the average cost of moving grain. In 1982 in Australia, the diesel fuel tax and gasoline tax for all agricultural products was reduced by some 6 cents a litre. In Argentina, effective October 7, 1981 the National Grain Board provided free rail freight for grain from the nearest station available to the shipping port. In the European Economic Community wheat farmers receive a direct subsidy of some \$2.53 a bushel. The United States pays an average subsidy of \$13.81 U.S. a tonne for wheat and \$6.84 a tonne for barley.

The fifth principle that we in this Chamber are advocating is that the railways should receive adequate and fair compensation for the movement of grain to provide the necessary capital for maintenance of plant and equipment. I indicated earlier that the 31.1 million tonne cap will provide a disincentive to increased grain production in Canada. The blended freight