

*Restraint of Government Expenditures*

**Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** Shall the remaining questions stand?

**Some hon. Members:** Agreed.

**GOVERNMENT ORDERS**

[*English*]

**GOVERNMENT EXPENDITURES RESTRAINT ACT**

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

**Mr. Les Benjamin (Regina-Lake Centre):** Mr. Speaker, I wish to use my remaining seven or eight minutes to expand on the remarks I made before the lunch hour in which I indicated that the loss of the subsidy, the At-East rates on flour milled in western Canada and exported through the Port of Halifax, amounts to more than 69 cents per hundred pounds, on flour milled in Ontario and exported through Halifax, amount to more than 81 cents per hundred pounds, and that the removal of these rates handicaps our grain producers and millers to the point at which they will likely lose sales on the international grain and flour market.

The milling industry and those engaged in grain production have enough problems as it is without the government attempting to show restraint in the wrong direction. International sales have been declining steadily. The Canadian share of international sales of commercial flour has fallen from 31 per cent to 11 per cent in the 20 years between 1954 and 1974. Yet what do we find? We find the government trying to save about \$3 million on flour exports and \$8 million on grain shipped to the Atlantic ports and to the St. Lawrence ports, a paltry \$11 million, while on the other side of the coin, the loss of those rates will mean unemployment in the mills and in the terminals on Georgian Bay and on the Atlantic coast; it will mean lost flour sales, and I submit that these costs, when added together, will prove to be far in excess of any amount which the government might save through the cancellation of the At-East rates.

The government wants to show restraint. The Minister of Transport (Mr. Lang) has the nerve, on this pretext, to try to do away with part of the Railway Act, one of the few things the grain processors and the people of Atlantic Canada have left to them. The minister is trying to do away with it in the name of restraint. Yet he himself flies his friends to his brother-in-law's party in Regina via Saskatoon at the cost of

some \$10,222. Of course, he had, naturally, to take some fellows from the press gallery along with him. He had to take some musicians along from the press gallery to his brother-in-law's birthday party; he went to Saskatoon first, and then down to Regina on that little jaunt. No restraint was shown there, Mr. Speaker. Maybe he was trying to help his brother-in-law who is running for the leadership of the Saskatchewan Liberal Party. I do not know what kind of relationship exists there, because the hon. gentleman's brother-in-law now says that the Saskatchewan Liberal Party should separate from the federal Liberal Party. What effect that will have upon this relationship, I don't know. But I do wish the Minister of Transport would quit talking out of both sides of his mouth.

He wants the grain elevator operators of Atlantic Canada and the lower St. Lawrence and Georgian Bay to show restraint, to pick up the tab and compete on their own against the United States and the EEC. The reality is that in all industrialized nations flour milling is subsidized. Both the United States and the EEC, our main competitors in the international market, give heavy support to their flour industries. The loss of the At-East rates, bearing in mind this sort of competition, means that our millers' share of what they have left of the international market is bound to suffer. Surely, this is the worst time of all for even the present Minister of Transport to take the kind of action he proposes.

This is an item which must be deleted. I hope the government got a message last night. The people of Quebec sent a message to the Government of Canada. Indeed, they sent a message to all of us. They are demanding fundamental changes in their economy and in their society. They intend to get things like an automobile insurance plan which will save the average motorist in the province \$500 or \$600 a year. They intend to get social and economic changes on a scale never known before in the province. In the light of a message of that kind, it seems to me the Minister of Transport, or at least his colleagues from the Province of Quebec and Atlantic Canada, should insist that clause 15 be deleted from this bill when it comes before the committee. To ignore the geography of our country, to ignore the distances that flour and grain for milling purposes has to be moved is to fly in the face of all good sense and economic reality. Surely this is not an area in which to try to exercise government restraint. What is involved here is an investment rather than a subsidy. What is really happening is that all the people of Canada are sharing in the cost of delivering flour and wheat for milling purposes to export positions where they can compete on a fair basis with exports from the United States and the EEC. To ask those millers and grain producers to pick up 69 or 70 cents a hundred pounds of flour milled in western Canada, and in Saskatoon in particular, or 82 cents a hundred pounds for flour milled inland in western Ontario or at the bay ports in Ontario, is to deny them any success in flour sales outside of our borders. It just is not fair to ask them to compete by themselves against the treasuries of the United States and the kind of financial resources the European Economic Community has.

[Mr. Milne.]