

for the Canadian producer, you can see how the emphasis on marketing in the Pacific Rim will attract the attention of the Canadian Wheat Board.

For example, in the last few years the Wheat Board has closed its marketing office in Europe and opened up one in the Pacific Rim. We know that right now in the third of three disastrous crop years the Wheat Board is maximizing the west coast ports. It is pushing every tonne of grain, every bushel it can through Vancouver and Prince Rupert because the Wheat Board gets a better deal over all for the producers by doing so.

What does that mean in the long term? It means, and we have seen this over the last three years, that a number of vessels have been scrapped on the Great Lakes. Lake freighters have been cut up with torches and sold to scrap yards. We have seen a number flagged out to foreign countries, formerly Canadian vessels crewed by Canadians with employment and revenue coming to Canada. Now these vessels are flagged in the Bahamas or any other country that provides that kind of tax-free haven. We do not have the capacity to move the kind of grain that we should be able to move in good times.

I was told two days ago at the retirement reception for Mr. William O'Neil, president of the St. Lawrence Seaway Authority, that one of Canada's shipping companies is moving only American grain out of the port of Duluth to Port Cartier or Baie Comeau.

We have been told that we cannot move the grain sitting in Thunder Bay downstream right now because we do not have the ships available—this is still in a bad year. What happens if we get a 30 million tonne crop for export purposes? Sure the west coast can handle 16 million, 17 million or 18 million tonnes, but where is the rest going to go? What happens if we get a 40 million tonne crop? The port of Thunder Bay can handle 26 million tonnes during a short season with a winter rail program. As a nation, if we do not protect the investment that we have in Thunder Bay, in the Great Lakes-St. Lawrence Seaway system, we will not be able to move our products when we have to.

What I am proposing is a means of equalizing the movement of grain east and west, to leave it to the market-place to decide in which direction the grain should go. Right now it is going through the west coast

because the Wheat Board is more aggressive in its marketing in that direction than it is in Europe, North Africa and even the Soviet Union.

#### *Private Member's Business*

Let me refer to the years 1978–1984 when on average Thunder Bay had 55 per cent of the export grain moving through that port and then the river ports. At one time, 37 per cent of the grain that the port of Thunder Bay handled was rehandled at Baie Comeau. We are now at the point where we will be lucky if we get 40 per cent of the grain movement coming through the eastern system. So there has been a fundamental shift and we will have good times again. It is important that we, as a nation, be in a position to export that grain. Quite frankly, if we cannot move it, then why are we producing it on the prairies?

• (1710)

The only other option would be to rail the grain past Thunder Bay, down to the bay ports, even to Montreal or to Quebec City, at a much higher cost. It is about \$20 a tonne more using three freely-supplied Canadian Wheat Board cars to move it east of Thunder Bay by rail. The irony is that we are probably going to have to do that this winter. There will probably be a winter rail program out of Thunder Bay this winter because we do not have the ships to move the grain in the last three weeks when the Seaway will be open in order to meet the unconfirmed purchase from the Soviet Union. So as a society we will pay more than we have to.

We also have to recognize that, although rail transportation is a very efficient mode of travel and a very environmentally friendly method of transporting bulk commodities, marine is even better. So we will lose in a couple of ways. What I am proposing is that in order to level the playing field, we treat the eastern movement the same way we are treating the western movement by rearranging the WGTA.

I am told that in the WGTA there is a provision for 20 per cent overhead for CN and CP, a guaranteed allotment of funds from the federal treasury for the processing of the handling of grain. I am suggesting that money could be better used by providing the same kind of subsidy that we currently offer CN and CP to the ship operators on the Great Lakes, so that it is farmgate to salt water whether it is the west coast or the east coast. The logical extension of that is that the Canadian Wheat Board will not have to overemphasize one direction over