

fuel would appreciate those funds now rather than at the end of July. Farmers are going to have to pay interest on that money until this payment is received by them.

The changes to the Act will allow it to perform much better. When the situation changed regarding the volumes of grain that we were shipping, we were very pleased. When the inflation rate increased much more rapidly than we had anticipated in 1975 and 1976, it became obvious to us that the Bill which was passed by the House at that time was not performing according to the basis upon which it was passed. It was meant to stabilize the cash flow of the Prairie economy. When the cash flow decreased stabilization payments were to be made in order to allow the Prairie economy to perform more adequately. That happened. It began in 1981 with rapid inflation and high costs of production as a result and world prices of commodities stabilizing and decreasing. It continued through 1982 and 1983 and into this year.

Yet, because of the complex formula which was put in place to trigger this Bill, stabilization payments were not being made. Farmers were asking their Members of Parliament why they were not receiving payments when they had contributed to this fund with the good faith that it would assist them when financial difficulties were being experienced in the Prairies. We told them why. We also told them that it could only be changed through legislation. It was the law of the land that the formula which was in place in the Bill in 1976 was still in place. It had to be followed until it was changed by the House of Commons. Until today we could not persuade the Government to bring forward this Bill. That is why we had meetings on the Prairies. That is why we exerted pressure in the House to have the Bill brought forward.

I looked back at the speeches that were made in 1976, and I even found one that I had made at that time. I enjoyed reading them. I also noted the points that were made by the Member for Moose Jaw (Mr. Neil) and the Member for Red Deer. They have both already spoken on this Bill. At that time they were looking into the future as they do so well. They were seeing that these difficulties were possible. They were concerned about them. They said that maybe we should amend this Bill to make it closer to a kind of insurance stabilization Act so that the whole Prairies would not be affected. If there was a drought in southern Saskatchewan and the rest of the Prairies had a bumper crop, they wanted the Act to be applied. That seemed like a reasonable suggestion. They asked that the Committee travel to learn the experiences of farmers. That was accepted. They also asked that the legislation be placed under the control of the Minister of Agriculture (Mr. Whelan). That has never been accepted. It seems that the growing of wheat and the sale of that wheat is being placed in the hands of the Minister of Transport (Mr. Axworthy). That is why we had the interesting Crow legislation brought into the House by the Minister of Transport.

What happens now that the grain farmers recognize the complexities of this Bill? They are recognizing that the cost of transportation of grain will be a great addition to their cost of production this year. The one thing which Prairie farmers

#### *Western Grain Stabilization Act*

knew was a constant in the production of grain was the cost of transportation. It remained the same. They could count on that. Today that constant has been removed. As of this August the cost of moving grain on the Prairies will be 58 per cent higher than last August. Yet when the Minister of Transport pushed this Bill through the House he said that we have a safety net. He said that we would protect the Prairie farmers from large increases in freight costs. It is 10 per cent of the cost of transportation. In small print it was suggested that that was the average of six grains, and it was based on the volume of the shipment of those grains. It is now evident that as freight rates increase 58 per cent for the price of moving the grains that do not bring as much money as canola, for example, they can pay 58 per cent more than last year and the safety net does not even come into effect. That is a lot of protection for the farmers of western Canada.

● (1440)

As I said at the beginning of my speech, the pressure is on Members of all Parties in the House to pass this Bill. The reason is that as farmers scramble to find cash to stay alive in the difficult economic times, the only pool of money available to them is that money which they have contributed to the Western Grain Stabilization Fund. When they look to another source, the indicators are not very good.

We talked about farm fuels as one of those negative indicators, as noted by the Hon. Member for Red Deer. There is an increase of some 50 cents to 68 cents per gallon in the cost of farm fuels that is taken by the federal Government. We have called for the removal of that for well over two years to assist farmers and to put a positive indicator before them instead of a negative one. That would assist in the production of grains which brings so much capital to this country.

Today in Question Period I pointed out that the Farm Credit Corporation is again increasing the interest rates for loans to farmers. That increase is at least one per cent to 1.5 per cent above what farmers can obtain from chartered banks. The Farm Credit Corporation is supposed to be the lending institution to which farmers can go as a last resort to obtain loans to continue farming or expand their operations. Again, this is another negative indicator from the Government.

Members of the House have introduced Private Members' Bills in an attempt to alleviate the situation, by promoting the removal of the sales tax on farm fuels and the use of agribonds to help in lowering interest rates for farmers. These attempts were stalled in committee by the Government because it is not prepared to deal with these issues. It is finally starting to move ahead slowly, but the Finance committee is smothered with budget bills.

In western Canada Wheat Board sells the farmers' grain and is responsible, with the assistance of the Minister responsible for the Wheat Board, for establishing the initial price which farmers will receive when they deliver their grain to the elevator. There is no encouragement from the federal Government here.