

HOUSE OF COMMONS

Tuesday, May 24, 1983

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[English]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Thursday, May 19, 1983, consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport; and the amendment thereto of Mr. Benjamin (p. 25389).

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, as I was saying before time ran out last day, Bill C-155 is an abomination to the Prairies, to western Canada and I believe Canada as a whole. It strikes at the most inner parts of prairie economic interests. It could, in a sense, be better called an Act to say "adieu" to the Liberal Member for Winnipeg-Fort Garry (Mr. Axworthy) and to the Liberal Member for St. Boniface (Mr. Bockstael), and to all Liberal candidates in the west in the next federal election. It could be better entitled "an Act to say 'adieu' to the Liberal Party in western Canada for the next 30 years or so". And it could be better called "an Act to make prairie people hewers of wheat and non-producers of meats and processed foods for generations to come."

It is an abomination, Mr. Speaker, to the economic interests in western Canada because its basic thrust is to tell the prairie farmers that we should all go back to producing wheat and wheat alone. Diversification is unacceptable to this régime and it is going to cost it, Mr. Speaker, as dearly politically as it is going to cost those of us who live on the Prairies.

As I pointed out earlier, a number of old meat packing plants are being closed in the West and are not being replaced. This Bill will only accelerate that process. It is well known that thousands upon thousands of western yearling calves are already being shipped to central Canada feedlots because of feed freight assistance, and Ottawa-set tariffs for moving dressed and live beef.

I would like to quote from a statement, Mr. Speaker, recently made to the Prime Minister (Mr. Trudeau) about the Bill as it is now on behalf of western cattle and hog organizations. I will quote three brief portions:

The livestock producer organizations in the west are completely opposed to the revised Bill C-155 under which government subsidy payments on grain will be

paid entirely to the railways. This decision will do enormous damage to diversification and agricultural processing in western Canada—

● (1110)

Further down it says:

The federal government's own figures suggest that there will be a potential reduction of approximately \$600 million in livestock production annually by 1990 under the "pay the railway" solution. Further analysis in Alberta shows that by 1990, domestic grain prices will be artificially increased by \$35.00 per long tonne relative to export returns and that this will be sufficient to cause a reduction of 60 per cent in hog and cattle feeding. Such a reduction will mean a loss of \$1.5 billion in economic activity and approximately 6,000 jobs to the provincial economy.

Finally, it says:

A subsidy paid to the railways to move raw product to other countries for feeding and/or processing is the worst possible way to encourage diversification and economic development in Canada. Its implications stretch far beyond prairie agriculture. It will mean reduced economic activity, lower exports and ultimately higher food prices for consumers.

On the question of the proposed \$651 million per annum subsidy to the railways, I previously mentioned that the railways have already been given in effect downtown western Canada by Ottawa. Even Carl Snavely, who has been commissioned by Liberal Governments numerous times to determine the actual cost of moving grain, has stated that the Bill is too generous to the railways. They will receive 100 per cent of their long-run variable costs. We have seen with VIA Rail what this can mean in terms of enriching the railways unjustly.

I guess I am out of time, Mr. Speaker. The Prairies will not accept this cross of thorns. The Prairies are well aware that they have been used only as a whipping boy at election time by this Government for too long and it is going to stop at the next election.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, it is the hope of the men and women who work in agriculture in my area to be able to lead good family lives. This Bill and the political high jinks that have gone along with it pose a bigger and more dangerous threat to that way of life than anything I have seen since coming into this House over ten years ago. Grain policy, Mr. Speaker, should be as simple as possible and as close to "grow it and sell it" as you can get.

The old grain rate was simplicity itself. One half a cent per tonne mile for wheat and flour on the Prairies to the Lakehead, later expanded to other ports and other grains and grain products. The new formula is almost beyond belief. It uses language such as this: "The percentage to be borne by the Government of Canada for the crop year is equal to the quotient expressed as a percentage obtained by dividing", etc., "less an amount equal to the CN adjustment in respect of the