

nature of region 4 and commented specifically in the report as follows:

There is no area in western Canada which is overbuilt with railways to as great an extent as the area to the north-west of Brandon bounded by the Carberry Canadian National Railways line to the north. In a space of 50 miles, the area is traversed in an east-west direction by eight railway subdivisions. There has been no rail abandonment in this area since construction. Although there has been some rationalization of the grain handling system, it has been relatively slow to occur. In the face of rapidly escalating costs of grain elevator operation, it is evident that many of the fully depreciated, physically sound facilities will be rendered uneconomical in the very near future.

● (1820)

Grain company managers informed the commission that in 1970 a fully depreciated elevator was economically viable if it had an annual handle of 150,000 bushels. By 1975 a handle of 250,000 bushels was required and it is estimated that by 1980, any older elevator handling less than 500,000 bushels, and any new elevator handling less than one million bushels, will be non-viable. Even drastic alterations to handling tariffs will not overcome the difficulties because larger scales and new driveways will be required for the older houses along with new longer car spots.

Just as elevators with low handlings will not be rendered viable even with altered tariffs, many rail lines with low density traffic will not be rendered compensatory even if new rates were established which would permit railways to receive higher revenues for grain haulage.

Under these circumstances, it is evident that a drastic reduction in the number of grain delivery points will occur over the next few years. This reduction in handling facilities is inevitable and in the interests of economy and improved service should be accompanied by a reduction in railway mileage.

The report went on to conclude:

In this area where alternate hauling distances are short to main and secondary main lines and where the majority of the elevators are either not viable or marginally viable, fairly drastic alterations are warranted.

With respect to the question of appeal, the point is covered by the Railway Act, sections 252 to 254. I shall be pleased to send the hon. member copies of those sections.

Mr. Deputy Speaker: Order, please. The motion to adjourn is now deemed to have been withdrawn.

Motion withdrawn.

Mr. Deputy Speaker: It being 6.30 o'clock, I do now leave the chair until eight o'clock p.m.

At 6.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[English]

CANADIAN WHEAT BOARD ACT

MEASURE RESPECTING ESTABLISHMENT OF MARKETING PLANS

Hon. Otto. E. Lang (Minister of Transport) moved that Bill C-34, to amend the Canadian Wheat Board Act respecting the

Canadian Wheat Board Act

establishment of marketing plans and to amend the Western Grain Stabilization Act in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, I believe it may be found on this occasion that when we come to the conclusion of second reading debate there may indeed be a disposition to proceed with this bill in the Committee of the Whole. However, that can be determined at that point in time.

Bill C-34 arises out of some issues relating to marketing of grains on the prairies, particularly out of questions surrounding the marketing of rapeseed. This has been the subject of a plebiscite in the prairies. It seems apparent that some of the producers who liked the opportunity of private marketing of rapeseed nonetheless would appreciate the opportunity to obtain an average price for their product by a pooling arrangement. In this way they would not have to attempt to play the market and determine for themselves when the time was right to market their grain, particularly their rapeseed.

For a larger producer wanting that particular arrangement, this was always possible by arranging his deliveries over a regular period of time, marketing his product at different points in time. For smaller producers, that was hardly possible. The difficulty for a producer or farmer, when he happened to sell at a low part of the market and his neighbour sold at a high part, was one of those obvious human considerations which concern many of us.

What this bill does is to make it possible for voluntary pooling arrangements to be created. It is essentially voluntary in two ways. The pooling arrangements will depend upon the willingness of participants in the rapeseed market to come forward and develop them and obtain the participation of farmers in them. This then depends upon the companies normally marketing grain—the pools, the other individual companies or groups of them—to put together a voluntary pooling arrangement.

It is then voluntary for the individual producer, who may choose to market on his own at his own time and at his own judgment of the market, to enter into a pooling arrangement so that when he has finished his year he will obtain the average which his particular pool market would have been able to obtain for the selling of rapeseed.

There is an interesting aspect here. It may be possible for several pooling arrangements to exist side by side. A bit of competitive spirit would certainly then exist. The result at the end of the year in terms of the total returns from one pool compared to others will no doubt have an impact on the willingness of farmers to deliver to a particular pool and, indeed, to enter into a pooling arrangement at all.

● (2010)

We are asking parliament to add a couple of features so that voluntary pools may be more effective than in the past. First, the bill permits the pooling arrangements to become part of the permit book procedure so that it is more certain that those who enter into a voluntary arrangement will remain in it. This