

*Oral Questions*

reference? What other areas of enlightenment can he shed on this very complex subject?

**Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology):** Madam Speaker, concerning the issue of the process of payment, there are some details which remain to be worked out. When that has been accomplished, of course they will be made available. The over-all principles of payment as set forth in the Gilson Report—the broad lines, of course—have been adopted. Further details will follow in due course.

**Mr. Mayer:** It is very important that the Minister should understand that a very complex set of proposals has been put in front of us today and that the bureaucrats have had a long time to work at it and understand it.

## PRODUCERS' UNDERSTANDING OF GOVERNMENT PROPOSALS

**Mr. Charles Mayer (Portage-Marquette):** Madam Speaker, could the Minister give us some assurance that producers throughout the country will have a chance not only to have equal input into the decision that will be made as to how to distribute the payments, but to understand the full implications of it before the Government implements the proposals it has put forward today?

**Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology):** Madam Speaker, the Government in all areas of this kind has followed an elaborate process of consultation. I can assure the Hon. Member that the interest of all affected groups will be taken into account.

## MULTIPLIER EFFECT OF FARM SPENDING

**Mr. Vic Althouse (Humboldt-Lake Centre):** Madam Speaker, my question is directed to the Minister of State for Economic Development. Railway investment plans have been described by the Minister of Transport as a good deal for Canada since they provide a multiplier effect of just over \$2 for every dollar invested by the railways. This is due to the jobs and investment created in the spin-off from that investment. Is the Minister aware that the multiplier effect from farm spending is between 3.5 and 7 times each dollar spent? Could he explain to the House why they chose to shortcut those spending plans instead of letting farm dollars go the usual route? They have shortcut them and moved them over to the railways to generate only \$2 for every dollar, instead of allowing them to go through the regular channels and create 3.5 to 7 times each dollar spent. What kinds of offsetting proposals is the Government planning to overcome this reduction or restriction to the Canadian economy, which will probably amount to somewhere between \$3 billion and \$6 billion by the end of the decade?

• (1440)

**Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology):** Madam Speaker, I find that question somewhat convoluted.

**Some Hon. Members:** Oh, oh!

**Mr. Johnston:** The fact is the investment by the railways is absolutely essential to increasing, in an effective and efficient manner, grain exports from the West, which I pointed out in my earlier response are anticipated to rise by ten million tonnes over the decade. For that grain to get to market, Madam Speaker, it is essential that these investments be made.

It is a fact that these investments will carry with them very beneficial industrial spin-offs that are of value, of course, to the whole country. Besides that, I come back to the point that the basic Crow benefit of \$651 million will continue to be paid to the farmers of western Canada. This will permit them options to diversify further and to undertake other areas of agricultural activity, which may very well create a much greater and much more viable agricultural sector in the West and also in the food processing sector itself. Surely the Hon. Member, who comes from Saskatchewan, should be appreciative of the benefits that this proposal will have for the very constituents for whom he is now pleading a case, a case founded on shifting sand indeed.

**Mr. Althouse:** Madam Speaker, it is because I am from Saskatchewan that I am concerned. I am concerned as a Saskatchewan farmer, not just about my own constituents who will be affected by this move, but I am concerned also about employees of Massey-Ferguson, employees of fertilizer companies and so on. They are going to be laid off because there will not be as much money expended on that part of the economy since the money is being used in a less efficient method here.

## REQUEST FOR OFFSETTING PROGRAMS TO MEET FARMERS' COSTS

**Mr. Vic Althouse (Humboldt-Lake Centre):** Madam Speaker, I am also concerned about some of the assumptions made by the media and by the ministry. It appears the whole thrust of the argument in the proposal by the Minister of Transport is that shipments out of the country will increase. But it has been assumed that shipping grain is like shipping coal, that the last units are the ones that make the most profit for the shipper. This is not the case with grain. What programs are being contemplated by the Government to take into account the fact that the last units of production in farming are the most expensive, and to account for the fact that we are already beyond the point of being able to pay for those last units? They are costing more than the market will return. What offsetting benefits or programs are being proposed to handle that aspect?