

out that I have compared prices on a good many occasions, whether it be prices in a hardware store or a plumbing shop, and the prices in the West are almost equal to what I have to pay in my community because the manufacturing plants add in a transportation equalization factor when they determine the price of their product. They must do this to remain competitive, so we are in turn assisting to pay some of those transportation costs from the manufacturing areas to western Canada.

Mr. Neil: Mr. Speaker, the Hon. Member for Lambton-Middlesex (Mr. Ferguson) brought in a Bill to amend the Farmers' Creditors Arrangement Act a few months ago alleging that the farming community was in terrible financial difficulty. He has been present at the same hearings and committees as I have and he has listened to the banks and to the Farm Credit Corporation where the indications given by the witnesses are to the effect that about 10 per cent of the farming population is in financial difficulty. The Member says that an additional expense of \$2,800 on average will not hurt the farmer. Is he really sincere when he says that?

If the farming community is in bad shape and 10 per cent of farmers are in real financial difficulty, the average increase of \$2,800 will in some cases be \$6,000 or \$7,000 extra in the West. This is enough to push the farmer over the edge. How does the Member justify doubling the Crow rate in two or three years and five times the Crow rate in ten years.

Mr. Ferguson: Mr. Speaker, I think the point that has been missed here was that I used a 1,200 acre farm with 700 acres of wheat as an example. I would hope that that other 500 acres would not be in summer fallow. I would hope that that farmer would have a poultry operation there that would have 15,000 laying hens. If the farmer makes the average profit of 2.7 cents per dozen eggs, the profit from that would be \$8,500, plus it would take 450 acres of barley to produce the feed for those birds. I would hope the farmer would have a margin of profit on that. Consequently, I believe that that farming operation could well afford to pay more of the cost of transporting goods to market just as farmers in eastern Canada do.

This example assumes that there would be no summer fallow on that 450 acres. I understand that there is a great deal of summer fallowing going on in the West but not as much as there used to be because farmers are now finding out that that is one of the causes of saline salts rising to the surface of the ground and making the ground less productive.

There are many other areas where you could have an additional income from a farming operation and feed the grain right on the farm. I used a poultry operation as just one example. That is something we must bear in mind.

Mr. Hobdebo: Mr. Speaker, I would like to make a comment and ask the Hon. Member a question. The Hon. Member for Lambton-Middlesex (Mr. Ferguson) suggested that because the increase would not come into effect all in one year, it would not be a knockout blow as has been described, and he said that the Saskatchewan Government was exaggerating because they suggested that. I wonder if there is very much

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difference between being hit five times and having the blow increased each time or being hit all at once, because that is what will happen.

Again, I follow the Member for Moose Jaw (Mr. Neil). My question, Mr. Speaker, is what about the farmer who just cannot bear the increase in cost of \$3,000 and becomes part of the 10 per cent of farmers who are bankrupt or pushes the number of bankruptcies up from 10 per cent to 20 per cent, as suggested by the Member from Moose Jaw?

In the last five years, many of the farmers in my constituency have not been able to show more than a \$4,000 or \$5,000 profit. Paying twice the freight rate would put them in a loss situation right away. The number of farmers going bankrupt will be increased by 10 per cent almost immediately.

Mr. Ferguson: Mr. Speaker, I am quite surprised that my colleague would make a suggestion like that because, of course, the final payments for the 1983 crop year will not take place until 1984 and who knows what the prices of those farm commodities will be. I would certainly hope that the price of barley, which is \$94 per tonne in Alberta for June delivery this year or \$95 per tonne in Winnipeg, would increase in the coming crop year.

I would like to suggest as well that the wet, cool weather we have experienced and the delay in planting in the United States in combination with the PICK program of the United States Department of Agriculture has been a shot in the arm for the grain industry. Perhaps those changes have not taken effect yet but I suggest that as they do the farmers will benefit. The minimal effect of raises in transportation costs over the years will be absorbed with the higher prices.

• (1510)

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I am pleased to speak on Bill C-155, not because I am terribly excited about it but because, as the Minister said, this could be a very historic debate. I am glad the Minister is in the House to listen to my remarks.

When we consider handling grain in western Canada, transportation is not the only thing we must take account of. As was so ably pointed out by the Hon. Member for Vegreville, (Mr. Mazankowski), we must consider the distances faced by the Canadian farmer who has to transport his grain 1,500 to 2,000 miles to the open sea. We compete with farmers in countries who have access to open water within 200 miles or less.

In light of that and the many other problems that agriculture faces in this country we must consider the benefits agriculture has brought to Canada, particularly to the industrial sector. In that whole context we have to consider transportation. I feel that to some extent the Minister has failed to consider the movement of grain in the whole context of agriculture and farming today. I would be the first to recognize that the Minister is sincere in his approach to transportation but I think he has a very narrow perspective.