We know that with respect to grain it is necessary to be competitive in order to penetrate those markets. Our wheat prices today are at the level which was in place in 1973. The price of wheat has been reduced again this year. The initial price is $160 per tonne whereas it was $222 three years ago. The $160 per tonne translates to $4.35 per bushel.

It is suggested that the reduction in initial prices will result in some $250 million less in the western agricultural economy. As I said previously, the reality of the reduction in prices coupled with the huge input costs, such as interest, fertilizer and fuel, the price of which has doubled in four years, makes it so important for the Government to take cognizance of the fact that there should be some relief for the producers of food in this country. That is why we have advocated, at least as a minimum, the reduction of the 9 per cent sales tax on farm fuel. This would give farmers a little bit of hope and optimism. It would recognize that somebody is really considering their future and looking after their best interests. In *The Financial Post* for April 28, 1984, a headline reads, "The great farmland sell off underlines desperate plight of Western farmers". Even people in the financial community recognize the problem. Let me quote the following from the article which appeared in *The Financial Post:*

● (1500)

The classified pages of Canadian farm newspapers testify to a growing desperation in the Prairie countryside this spring.

Here is another example from this article:

After 25 years farming, Freeman finds himself sitting on a $400,000 mound of debt. Interest payments alone ate up 40 per cent of his $200,000 revenue last year, he says.

"If my creditors are willing to take write-offs of 50 cents on a dollar, then I can stay in business," says the 47 year old father of four. Otherwise he'll join the ranks of those forced from farming—a group agricultural officials say is no longer the exclusive preserve of bad managers.

I think that sums it up. Coupled with that we have this uncertainty in the additional impact of freight rates. I do not think there is any question about it. With all respect to the former Minister of Transport, I think the farmers have been taken to the cleaners on this western grain transportation Bill. Farmers have been sold a bill of goods. Freight rates are now rising much faster than projected. They were projected to rise by 58 per cent at the beginning of this crop year. That is certainly a lot more than was originally anticipated. The average is $7.70 a tonne. That is what the new rate is going to be. In some areas, however, that figure is $11, $12 and $13 a tonne, which has a tremendous impact. We know the safety net is not going to have any significant effect. We know the volume cap is really hurting here because of the increased sales. The farmer is picking up the full rate on anything over 31.5 million tonnes, and that is driving the rate up.

My good friend and colleague from Red Deer, when he quoted our agricultural critic, pointed out that the Government has a responsibility. The Government is asking the farmer to pay the full shot for the one year. Farmers should be paying only seven-twelfths, because the new regime did not go into effect until January. That is coupled with the aspect of the railways reneging on their investment, which was $16.5 billion, and is now $12.5 billion. Three hundred and seventy-five thousand jobs were to have been created but it is more like 155,000 jobs. What do we have now? I just received the *Manitoba Co-operator*. I see from it that there is another CTC hearing where the two national railways are seeking revisions to the cost of capital formula. If the railways get their way, it will add another $100 million to the freight bill.

I remember that when we were dealing with this Bill it was originally anticipated that there would be a 20.5 per cent return on capital investment. That was adjusted to 18 per cent. It seems that the railways are still not happy with that, so they have gone to the CTC. They want more. If they get their way, as this article points out, it will mean an additional $3 a tonne for freight rates, which will result in an additional $700 for the farmer. Coupled with all the difficulty we have, that is what is causing further apprehension and anxiety in the minds of the producers. They have no confidence in this group across the way, Mr. Speaker, because of the heavy influence of the railways on the activities and decision-making process of the Liberal Party.

We have Mr. Turner who is the leading leadership contender, still an active member of the board of directors of CPR. He is working very closely with the Minister of Transport (Mr. Axworthy). As a matter of fact, the Minister of Transport is his policy adviser and western chairman. I note from this paper that Mr. Argue is a staunch supporter of Mr. Turner. I notice the former Minister is a staunch supporter of Mr. Turner, and of course there is Mr. Jack Horner. They are all in this game together. Then you have Mr. Ian Sinclair, the former Chairman of the CPR. He has been appointed to the Senate as a Liberal. We have Mr. Horner, a former chairman of the CNR, administering and managing the Grain Transportation Agency. This does not give producers much confidence, Mr. Speaker. That is why they are so pessimistic about the future. This whole thing is balanced too heavily in favour of the railroads. This will have to change.

The producers of this country are in serious trouble. When you have a situation where other countries are increasing their support to the farmers while we are reducing our support, we are in trouble.

I just picked up *The Citizen*. In an article in it it says that the new government in Argentina is going all out. The new government in Argentina is cutting taxes on fertilizer and herbicides and is reducing transportation costs to rebuild the agricultural industry.

Mr. Pepin: Would you like their inflation?

Mr. Mazankowski: While other countries are providing more support for their producers, Canada is reneging on its commitments and reducing its support. We will regret that some day. I call upon this Minister and this Government not only to move this Bill ahead but to bring on the stabilization Bill and other measures which will help alleviate the difficulties that farmers face today.