

Western Grain Transportation Act

The change outlined by the federal Government to modernize the Crown rate will be consistent with all the other social and economic changes that have already taken place within the Prairies. Passage of the western grain transportation Bill will ensure that prairie producers, who are among the most efficient and productive in the world, will have a transportation system to match their performance.

We talk about subsidization. I wish to point out that in 1982 the Government of Alberta announced that four canola crushers in that Province would receive a \$20.4 million subsidy representing \$40 per tonne. This will grant the crusher a 91-cent margin upfront. Coming from outside Alberta, such action may be interpreted as Government interference in the free enterprise system and economy, creating an imbalance across the country. The subsidy, if attached to crushing levels, could create a product-pricing war in competition with the crushers in Saskatchewan and Manitoba, as well as Ontario.

I am an oilseed producer. I have to compete not only with the subsidies being paid to the crushers but with my sales, transportation costs against the subsidized rates for western Canada. In the essence of equity to all Canadians, we have to look at and revise the Crow rate to a standard that is fair and equitable to all Canadians, and yet utilize the potential of our report capability.

Mr. Lambert: Mr. Speaker, I would like to ask the Hon. Member if he recalls that last week it was announced by the Department of Regional Economic Expansion, or whatever passes for that Department now, that three grants had been made to western Canada establishments in each of the three Provinces, one being in Hamilton, Ontario, for the building of new canola crushing plants. This is action by the Government of Canada. The Hon. Member went to pains to point out that the Government of the Province of Alberta had been interfering with the market structure of canola. Now we have the Department of Regional Economic Expansion doing the same thing. I wonder what he would say about its actions?

Mr. Ferguson: Mr. Speaker, I am aware of those grants. I am also aware that the Government of Ontario made a grant of \$4.5 million to establish a canola-crushing plant in Hamilton, Ontario. Perhaps there is a large area in the clay belt in Ontario which could utilize these plants, whether they are in the West or in the East. It is much easier to transport the raw products to these plants and then transport the oil or the meal by rail or by ship to the port of export than it is to transport the raw product.

Mr. Lewycky: Mr. Speaker, I must confess I am a little bit disappointed in the speech of the Hon. Member for Lambton-Middlesex (Mr. Ferguson), just as I was earlier with the speech of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). In many ways both of these fellows have indicated an understanding of the West, as the Minister of Consumer and Corporate Affairs has shown with regard to the Post Office when. I have raised questions with him. I was really amazed at his position here.

● (1500)

Similarly, I find it very difficult to understand how the Member who just spoke could introduce a Bill and in fact solicit our support for introducing a Bill that deals with farm closure and the problem that farmers are facing and now try to paint such a rosy picture. I find it very difficult to comprehend this type of walking paradox.

The Member talked about equity and things that are equitable, and I wonder if he could indicate to me how far he has to transport his grain and whether he would consider it equitable that on the Prairies and in constituencies such as mine where there is still abandonment taking place farmers will have to transport their grain 100 miles to 125 miles. I wonder if he could expound on his principle of equity when he takes that kind of position. To me, it is a paradox that I do not understand; maybe he could enlighten me.

Mr. Ferguson: Mr. Speaker, I do not believe that I was painting an exceptionally rosy picture as far as the farm income sector was concerned but perhaps I could enlighten the Member by telling him what some of the costs are. I did indicate that the cost of transporting soybeans was lower by truck from Chatham, Ontario, from my yard as a matter of fact, to Toronto. But for exports, we must pay the cost of handling and export preparation to the Port of Halifax and the Port of Saint John, New Brunswick. Perhaps I should give some examples—

Mr. Lewycky: How far does the Hon. Member have to truck his grain and does he consider 100 to 125 miles equitable?

Mr. Ferguson: Yes, that is the approximate distance from my own farm to the City of Toronto or the City of Hamilton. It is approximately the same distance to a crushing plant or an elevator. We could perhaps ship to a local elevator that is much closer with a tractor and several wagons tied behind it, probably 1,000 bushels at a time, or if we used a smaller truck, 600 bushels at a time. But if we want to sell directly to the terminal elevator, we must travel that far.

I should perhaps make some comparisons between the East and West, and I believe I could use Ontario winter wheat versus western wheat as an example. The handling costs per bushel of western wheat after it arrived at the country elevator was 29.6 cents, according to the statistics of the 1981 Annual Report of the Canadian Wheat Board. We in Ontario do not have the same rates available to us or the same facilities provided by the Government of Canada. We quite often have to load on board ship in Georgian Bay, but the average comparable cost to us last year was approximately 80 cents a bushel. We are not asking for the costs in the West to be raised to that level, but I believe that Ontario farmers have to face these kinds of transportation costs and there should be some system worked out that will at least meet half way and will put us out of competition for the export market but be more fair to all Canadians.

A comment was made a few minutes ago about subsidization of eastern products going west, and I would like to point