

Supply—Agriculture

the people who are raising poultry or livestock, but rather that it results in widespread benefits to Canada as a whole.

Surely everyone will agree that one of the factors that must be considered when you quote a price for grain is the cost of freight from where it is produced to where it is finally consumed. One of the economic impediments to the general Canadian welfare and the welfare of the agricultural industry is the tremendous freight cost and this subsidy results to the benefit of the Canadian people. As a freight subsidy it is just as important as the \$7 million subsidy toward the maintenance of trackage between Sudbury and the head of the lakes.

As a grain producer and as someone who believes that he knows something about the economics of agriculture I believe that when you pay a subsidy on grain, no matter who may receive the cheque, the effect is not only, as it is, to lower the cost of feed grain to the people who are raising poultry and livestock, but it also increases the return to the people who are producing. If you removed the freight cost entirely you would automatically decrease the cost of grain to the feeder and increase the price to the producer. This may not be completely correct when you are dealing with a commodity the price of which is set by international trade factors, but almost all the feed grains produced in Canada are consumed in Canada and I believe that this subsidy helps the whole agricultural industry.

As I said, the thing wrong with it is the fact that apparently the government is out to get rid of this subsidy as quickly as it can.

Mr. Patterson: Mr. Chairman, I have always been one who felt that we should be thankful for small mercies. Some time ago when this matter was under discussion and the announcement was made that there was to be a drastic reduction in the assistance on feed grain freight rates I raised opposition on behalf of those engaged in the poultry and hog raising industries in the Fraser valley. At that time I asked the government to reconsider the matter and try to do something to extend the assistance.

We all know that the regulations have been carried out as was stated. Since that time I have had a number of protests and communications with respect to the matter. Without doubt it is imposing a great hardship upon farmers in British Columbia because of the present depressed prices for farm products. They are facing a difficult situation at the present time. We are glad that the government has seen fit to retain at

least a part of the assistance but we do hope that no consideration will be given at any time in the near future to the complete elimination of this assistance. On the other hand, we would like it raised to its previous level.

Mr. McCann: Mr. Chairman, are we discussing these estimates or next year's estimates? All of this talk about a reduction in the subsidy for next year is entirely out of order. There is only one question here: are we going to vote \$2 million that we have spent up to August 1 last with reference to this freight assistance?

Mr. Hahn: Mr. Chairman, I should like to direct the attention of the Minister of Finance to the fact that every party in the house supports the idea of an increased subsidy on feed grains. While the hon. member for Moose Jaw-Lake Centre said that he was speaking for himself, I would request that he make a point of suggesting to the Minister of Agriculture that an investigation committee be set up to inquire into the whole problem of the price of feed grain. Apparently the facts are such that there is such a large spread in prices that it makes it practically impossible for the poultry and cattle industries to continue in existence. I would earnestly suggest that the minister consider this point and provide a few million dollars in a later estimate to cover an investigation of problems affecting feed grains and the price spreads existing in western Canada today.

Mr. Macdonnell: Mr. Chairman, like nearly everybody else, I did not intend to speak on this item and the only reason I am doing so now is to reply to what the Minister of National Revenue just said. He seems to indicate that all we are doing here is to act as a set of rubber stamps to authorize money which has been overspent by the government and which they now have to come and ask us to grant them at the last moment. The Minister of Finance shakes his head but he can correct me later.

I suggest that it is eminently proper that we should talk about the desirability of spending this money. As I understand it, we are authorizing an additional amount to take care of something unexpected which the government did not accurately forecast. I would have thought that if ever there was a time when the discussions should be wide open it would be now. I am sorry that I cannot contribute anything to the merits of the matter.

Mr. Harris: I thank hon. members for what has been said. I cannot quite agree with the hon. member for Greenwood because after all this is merely to provide extra money for a principle which has been adopted already