has of course been swept aside before by such cabinet ministers as finance, industry, trade and commerce and now by transport. Because of the fact that Clause 15 reappears today in this bill we are led to believe, as my colleague from Qu'Appelle-Moose Mountain commented this morning, that we should not be surprised if in the not too distant future, given the track record of this government, a bill would be introduced calling for the repeal of the Crowsnest Pass rates. When the committee is considering this bill we will all look forward to the minister speaking in defence of the industry he supposedly represents. It is true that a program has been announced to assist Canada's 39 milling plants, down from 78 only 20 years ago. However, this program will not ease the situation of tight storage for feed grains in eastern Ontario and Quebec, nor will it resolve the problems of the inland elevators.

The Minister of Transport (Mr. Lang) and the Minister of Agriculture might suggest that additional storage be built for this purpose. That was promised at the time of the change in the feed grains policy last summer. That promise was not kept and no such additional storage space is in existence today nor is it likely to be for some time in the future. The addition of more storage space would in fact only alleviate some of the difficulties experienced by the St. Lawrence ports. Again, it would accomplish absolutely nothing toward solving the dilemma of the Georgian Bay region elevators.

This is not a minor issue as it might seem to be on the surface. It is a major and vital concern of a national nature. The eastern ports will be adversely affected if this subsidy is removed. I refer specifically to the ports of Halifax, St. John's, Montreal, Sorel, Trois-Rivières and Quebec. The western wheat farmers in all three prairie provinces as well as the wheat producers in my province of Ontario stand to be adversely affected if this ill-conceived legislation is allowed to pass. Canada, as a whole, stands to lose, not only because of the damage I have just mentioned, but because of the very real possibility of a loss of export sales due to the increased grain prices which will ultimately result if the transportation subsidy is removed.

● (1530)

At a time when export markets are increasingly hard to come by, the government has made a decision which will sharply worsen our already eroding position in export flour markets. I cannot understand how this decision can be of benefit to Canada, and I am certain that if a thorough cost-benefit analysis had been undertaken, this legislation would never have seen the light of day.

According to the Canadian National Millers Association, this piece of legislation represents proposed rail rate increases of $17.64 to $22.05 per metric ton on flour exports. This completely unexpected and ill-advised restraint measure will virtually guarantee the speedy demise of an already eroded export flour trade. This will ultimately result in increased costs to the government and subsequently to the economy of Canada.

Restraint of Government Expenditures

The Minister of Agriculture (Mr. Whelan) has suggested that more and more countries are milling their own flour, thus implying that there may be decreasing demand for flour exports. This is certainly not the case at all, although if this subsidy is removed, there will undoubtedly follow a further decreasing demand for Canada's high prices flour exports. As it is now, only Canada and Australia have experienced substantial declines in this regard. The United States level has held fairly constant since 1954, while the European Common Market has expanded its exports over a ten year period from 15 million hundredweight to 64 million hundredweight.

As a matter of fact, some countries such as those in Africa and the West Indies have no flour milling capacity so that the only way our grain can enter those countries is in the form of flour. Contrary to what the minister may say, a world market still exists for flour and what we now have to decide is whether or not Canada is going to remain in a competitive position as an exporter to this market. As we are all aware, Russia has been purchasing a substantial amount of flour annually from Canada. However, each year's sale must be negotiated on an individual basis, and export business can only be maintained if Canadian wheat and flour prices remain competitive. The Canadian National Millers Association judge this situation to be critical and maintain that further business with Russia could be in serious jeopardy. A cost-benefit analysis would no doubt illustrate that savings made in eliminating the subsidy would be more than offset by the subsequent loss of export sales that would surely follow.

What about Canada's food aid program? A large proportion of flour exports, almost 12 per cent, is CIDA sponsored. If we assume that this international aid is to be continued, then we are dealing, in this instance, with a straight transfer of the extra costs from one departmental budget to another.

Another aspect of this legislation which must be seriously considered is the impending unemployment and hardship that must inevitably result if the subsidy is removed. There would be more plant closures in the milling industry, which worked at 76.8 per cent capacity in 1975, as well as more layoffs of the 3,000 persons directly engaged in the industry. Export flour is one commodity which generates significant employment for labour in eastern ports and a reduction in flour exports will have a telling impact on employment in an area in which unemployment already is far in excess of an acceptable level. Side effects such as unemployment and direct effects such as loss of revenue, would not come into play, of course, if Canada could maintain, rather I should say regain, its competitive position. What is needed, Mr. Speaker, are not measures to further erode that position, but measures to breathe new life into our sagging position as an exporting nation.

Canadian flour exports have been steadily declining for the past 20 years in spite of a growing pattern of world demand for this product. In 1954, Canadian millers were exporting over 20 million hundredweights of flour annually. By 1975, exports had dropped over 50 per cent to approximately 8½ million hundredweights. The commercial component of export flour sales alone, which totalled over 19 million hundredweights in