

Grain Prices

the initial prices for the 1982-83 crop year at last year's levels. That should encourage farmers to produce all they can to meet the growing world demand for grain. I have no doubt that the market is there for all the grain farmers can grow. I am hopeful that prices will improve enough before long to ensure the farmers' returns keep up with the rising costs.

This House of Commons, Mr. Speaker, went on record a few weeks ago, as agreeing unanimously that the Wheat Board is doing a good job. The proof of that is that when the member from St. Boniface (Mr. Bockstael) brought forth a motion, he got unanimous consent to it, congratulating all groups in the grain industry for having surpassed the all-time export record with still seven weeks to go in the crop year. I submit to you, Mr. Speaker, that the system does indeed work.

The third point I would like to make, Mr. Speaker, is that a related institution, the Canadian International Grains Institute, assists in the promotion and marketing of Canadian grains by providing a range of ongoing educational programs. This is to me a rather interesting point, Mr. Speaker, because my profession before coming into politics was in education. As a teacher, as one who works in this field, I believe that education is an ongoing matter for all people in our society—understood and included, the farmers of Canada.

The federal government has also established the Western Grains Stabilization Program. It protects producers against periods when there are downward signs in the market and when their income drops significantly in relation to historical levels. How is it done? As the hon. member from Qu'Appelle-Moose Mountain pointed out, it is done by taking a sliding average of farmers' income. I stand to be corrected by the hon. member, but my information is that it was over the previous five years and not over the previous three years. If this is not the case, I hope the hon. member will correct the record at the end of my intervention. How does it work? If in the current year the revenue income drops, then the stabilization mechanism is triggered.

This program is cost-shared by the government and the producers. The government puts in 4 per cent of the eligible receipts and the producer puts in 2 per cent, subject to a \$900 maximum for each producer. You might ask yourself, Mr. Speaker, as well as might all other members of this House, how much the farmers, the producers, benefited from this since its inception. The fact is that this fund has paid out some \$370 million to our farmers, our producers, since its inception. This is a scheme, Mr. Speaker, which the farmer contributes to in the good years and benefits from in the less good years.

To deal with temporary cash flow problems, Mr. Speaker, there is the Prairie Grain Advance Payments Act. Under it, producers can take out an advance payment on farm-stored grain until there is an opportunity to deliver it. For wheat used for domestic human consumption, producers have the protection of the domestic wheat price policy. Under this policy, producers are guaranteed a minimum price of \$5 a bushel on all wheat used for domestic human consumption, even if export prices fall below this level.

What do we mean by human consumption? We mean that the grains are used, for example, in the making of such everyday things as bread, pasta, all biscuits and cookie manufacturers. Again I am involved there, because in my riding there are manufacturers of these commodities. It is very important to them that they get the type of grain that they need to produce and manufacture wholesome foods for the people of Canada.

It was said earlier, Mr. Speaker, that our transportation system is involved in this matter. Major improvements have been made in the Canadian grain handling and transportation system in recent years. There is the provision of new hopper cars. I will put more detailed information on the record. There is also branch line rehabilitation. The process of upgrading our system will continue as we move increasing volumes of grain for export.

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As I mentioned, while this point is not directly related to the farmer in respect of farm costs, obviously it is important to the farmer to have an excellent—not a good, but an excellent—transportation system to move his products to market. That is why the Minister of Transport (Mr. Pepin) has been putting so much effort into this particular area.

To be specific, with regard to hopper cars, the federal government—the government of this day—has already bought or leased some 10,000 hopper cars. Recently the minister announced in this House the purchase of another 1,280, which will provide jobs in my area around Hamilton, Ontario, in Sorel, Quebec and also Trenton, Nova Scotia.

With regard to branch line rehabilitation, originally this was to have been a ten-year program with a \$700 million budget. This started in 1977. Just recently the Minister of Transport arranged to index the annual spending on this program so that yearly amounts will not be eroded by inflation. What this means is that if there is \$70 million in a given year and inflation increases 10 per cent, then in the next year there will be \$77 million, and we will be able to buy the same number of hopper cars and do the same amount of work. In that way there will not be any penalty involved.

Under these programs as well as the recent initiative of the Minister of Transport, \$3.2 billion will be invested in grain transportation alone over the next four years. That investment is to take place—I would say 95 per cent—in the west.

The government already guarantees initial payments for wheat, oats and barley marketed by the Canadian Wheat Board. These are floor prices which are guaranteed by the government. They are market-oriented and provide the producer with a significant degree of security. This in itself, I submit, guarantees the producer at least the minimum price.

We have had ongoing discussions with many countries. The hon. member for Qu'Appelle-Moose Mountain has mentioned that he has taken part in many trade delegations. He has been to the United Nations, as have many members of my party. I think the hon. member will agree with me that one of our closest partners in the marketing of grain throughout the world