

*S.O. 21*

Just one year ago thousands of Canadian home owners were forced to negotiate mortgages at rates in the area of 20 per cent. Today these home owners find themselves locked into record-high interest rate mortgages, unable to renegotiate at today's lower rates unless they pay outrageous penalties of as much as \$7,000 to \$10,000. These penalties are scandalous. By applying them, the banks are effectively holding home owners hostage to interest rates which have since subsided. The banks should not be permitted to continue their draconian policies.

I urge the Minister of Finance (Mr. Lalonde) to do everything in his power to see that the banks and trust companies change their policies on mortgage renegotiation in order that all Canadian home owners will be able to benefit from today's lower mortgage rates.

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**AGRICULTURE****EFFECT OF BEEF MARKETING PRACTICES ON FARMERS**

**Mr. Gus Mitges (Grey-Simcoe):** Madam Speaker, in the past several years there have been numerous studies done on beef marketing which have revealed a number of marketing concerns, some of which I have listed, as follows. First, direct sales to packing plants reduce the presence of competitive bidding. Second, there are price inequities for cattle of equal value sold by producers in the same market. Third, there is increased concentration of market power by the packing houses and retail chains. Fourth, there is a grading system for slaughter cattle which is not totally compatible with retail requirements, thus creating a multiplicity of price differentials. Fifth, there is an absence of grade identification at the retail level. Sixth, the market information system is often insufficient, often inaccurate, and fragmented. It appears that farmers have little or no marketing power.

Consumers continue to buy beef at more than reasonable prices, but at the expense of the farmers. In periods of low feed grain prices, the grain producer bears the burden. In periods of higher feed prices, the cow-calf producer bears the burden.

Beef farmers do not have market power to bargain with other sectors of the economy, leaving them at the bottom of the totem pole. Beef farmers must organize themselves if they are to stave off bankruptcy and survive.

The establishment of a national beef marketing board would go a long way toward bringing stability to the industry, with a fair profit for the producers, and fair, steady prices for the consumer. Hopefully this will become a reality in the near future.

• (1110)

**RAILWAYS****CROWSNEST PASS RATE—ALTERNATIVES TO MINISTER'S PLAN FOR CHANGES**

**Mr. Bill Yurko (Edmonton East):** Madam Speaker, the Pepin plan for changing the Crow is massively flawed. Such a plan would rattle and wound the agricultural sector in western Canada, which is the backbone of the region. The Pepin plan must be changed.

A workable solution should incorporate the following policy in cognizance of the promises made at the Western Economic Opportunities Conference. First, the Crow rate should be allowed to increase annually by the annual inflation rate. Second, as compensation for inflation indexing, the federal Government should annually deposit \$250 million in a non-taxable western farmers' trust administered by a board of directors selected by various western agricultural commodity groups. This would be a farmers' heritage trust, providing assistance to farmers in unprofitable years caused by adverse weather conditions or low grain prices. It would also be used for maintaining branch lines and local country elevators and so forth.

Third, more extensive federal-provincial co-operation is vital and mandatory. The federal Government should hold extensive discussions and collaborate with the western provincial Governments in regard to upgrading and rebuilding the western grain transportation system.

Capital cost-sharing agreements with the Provinces should be negotiated. Some Provinces have already invested vast sums in freight cars and other facilities—

**Madam Speaker:** Order.

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**INDUSTRY****EFFECT OF PATENT LAW ON PHARMACEUTICAL INDUSTRY**

**Mr. Stanley Hudecki (Hamilton West):** Madam Speaker, in the 1960s the Canadian Government, concerned over the higher prices for drugs that Canadian consumers were paying in comparison to Consumers in other countries, attempted to ameliorate the problem. The Government amended the Patent Act in 1969 and extended compulsory licensing rights to include the right to import an invention or medicine.

While the objective of the new Section was to lower drug prices by increasing competition, it has succeeded in producing a steady decline in real growth of research and development, as well as a reduced growth rate in manufacturing, investment and employment in the pharmaceutical and associated industries in Canada.

Even though Canada offers generally suitable tax incentives and an excellent health care program for the development of the pharmaceutical industry, the 1969 amendment to our