

*Small Business*

An added reason was the lower cost of hog production in the United States corn belt. Although western barley is somewhat lower in price now, somewhere between \$1.75 to \$2 a bushel in the west, this situation still exists. There is no stampede back into hogs in the west.

This hog situation has had some serious implications in the west in many of the related industries. Our meat packing industry, which is very labour intensive, now has a serious unused slaughter capacity for both hogs and cattle, especially in Alberta. Our 17 major slaughter plants in Alberta have seen three or four closures over the last year, and more will likely follow. Some of these are modern, efficient plants like our plant in Medicine Hat, which closed rather suddenly in late December.

Our livestock trucking service industry, a very valuable industry that we cannot get along without, has experienced a serious backlash from this meat packing crisis. The fact that cattle and meat prices have suddenly taken off to record high levels has not changed the bottom line problem for our western Canadian meat packing industry.

There is no easy solution to this hog production situation, certainly not in the short term. Surely the long-term approach must be for all concerned to recognize that the natural and obvious market for our western barley is right on the farm where it was grown, or on the one across the road with a hog operation or cattle feed lot on it.

Crop prospects now all across western Canada are very, very favourable, even at this early date. They are favourable because of excellent moisture conditions which extend over the whole of the west. This is in sharp contrast to last year's very serious drought conditions.

A somewhat later seeding, possibly due to wet fields and cool weather, could mean more barley being seeded and less wheat, perhaps all across the west. We might very well produce more feed grains than wheat in Alberta this year. We could see a western barley crop in excess of five hundred million bushels.

If an increasing portion of these feed grains could be fed on the prairies and converted to value-added food products, the load on our railway grain transportation system, which is now very heavily overloaded, would be considerably lessened. We should be exporting our domestic value-added agricultural products, especially to the United States, and not exporting those secondary value-added jobs. This is what is happening when we now export our live feeder-cattle to the United States.

Let us examine that overloaded railroad grain transportation system to which I just referred. The problem has been building up since the mid-sixties. I refer hon. members back to the government task force on agriculture. Among other things, it recommended that two out of every three western farms should go, as there was no real future in the grain industry. It also recommended that we should export 500,000 feeder calves from western Canada every fall because we could not grow them out or finish them in the west. This was followed by the

[Mr. Hargrave.]

famous LIFT program. It also indicated that the government had no confidence in the western grain and feeding industry.

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The immediate problem is the shortage of boxcars. There is no labour problem. There are no rail stoppages. In 1975 the railways had 20,000 boxcars and 6,000 government hopper cars. This car count has now shrunk to 13,000 boxcars and 8,000 hopper cars, for a net loss of about 14 million bushels capacity. It is expected to decrease by another five million bushels capacity by the end of this year. The immediate need is for a boxcar repair program to provide some relief until the 4,000 new hoppers requested by the Wheat Board come into service. Our country elevators and branch line systems have never been a bottleneck. Yet for political reasons these areas have received all the attention over the past decade.

These are situations which have hurt every small businessman farmer in western Canada over the last ten years or more. Well-planned, long-range solutions are required, some of which will take years to implement. One such issue requiring attention concerns the statutory rate, or the Crowsnest rate, as it is called. This has been with us for 70 years or so. It won't go away by itself. We shall have to face up to it some time, though that cannot possibly be now, or before the election, whenever it comes.

Now I want to turn to a brief review of other small business matters. I have selected a few examples from my constituency which are typical of what one could find in most regions of Canada. I want to show how small business operators, especially in the rural areas, have been able to get along. First, there is a hockey stick manufacturing company in the short-grass country near Medicine Hat which combines imported Thailand hardwood with British Columbia wood to produce "Westar" hockey sticks used in our western junior league to a large extent and chosen in competition with well known brands manufactured in central Canada.

There is a glass blowing industry called Altaglass involving only six people which creates beautiful works of art through an almost forgotten trade.

There is another manufacturing plant called Scott Manufacturing which specializes in playground equipment and large outdoor Christmas decorations. They ship their products all across Canada, a fair amount going into the northwest United States.

In the towns of Brooks and Bassano there are a variety of small business manufacturers catering to the oil and gas industry. Needless to say their business is flourishing in Alberta today.

In Taber, the heart of the irrigated area, there are other specialized industries which relate to the highly developed and productive irrigation zone in southern Alberta.

These are just a few examples of small businesses which fill a great need, a need which was not being supplied from other sources. They are typical in that they turn their profits back