• (1510)

Surely this is a time when the government of Canada should provide additional aid and comfort, not detract from what minimal support the "at and east" rates gave the milling industry of Canada. We know that it is the intention on the part of Maple Leaf Mills, a large multinational corporation owned in the United States, and Lever Bros. who are a subsidiary of Unilever of Belgium, another multinational corporation that brings us Lux toilet soap and so on, to build a mill and storage depot at Windsor, Ontario. This may be great for them but it will not be great for ports along Georgian Bay, or the ports of Halifax, Saint John, Montreal and Quebec City. It will not be great for the flour mill that the wheat producers own in Saskatoon. This effort to destroy the small benefit that our milling industry and grain producers get out of the transportation act is outrageous.

The Acting Speaker (Mr. Turner): Order. I regret to interrupt the hon. member but his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, I will be through very shortly and I thank my hon. friends for their kindness in allowing me to continue.

The Canadian Millers Association and its chairman, one Mr. J. F. Blakeney—no relation, by the way, to the premier of Saskatchewan—has also written to the minister expressing their distress at the government's announcement that the subsidy will be removed or abolished. In his letter to the minister he cites why they are distressed. I would have thought that the minister, this great friend of the Canadian farmer and of the producers of processed products from the grain industry, would have much greater concern as a western member of parliament than this. I do not see where they can arrive at any significant element of restraint in government spending by abolishing this kind of rate. The cost through lost export sales and the increase in unemployment will be much greater than the subsidy. Surely, this is some kind of backward economics.

I also want to suggest that the whole movement of grain by water through the St. Lawrence, with some attempt to increase the amount going through Vancouver, has been vital in the winter months for flour and for the movement of grain for milling purposes. While the Minister of Transport (Mr. Lang) and some of his people who support inland terminals might have visions of grandeur about unit trains, once they have tried them for that kind of distance for any length of time they will find that the costs are greater and will be greater than what the "at and east" rates cost the national treasury.

From whatever way you look at it, Mr. Speaker, this attempt at so-called restraint is not going to save money for the people of Canada. In fact, it will cost them more money than the cancellation of the rates would cost. Movement through the maritime ports and through several of the bay ports is very important. They have no extensive feed grain traffic. Traffic in grain for milling purposes and for flour is extremely important to them. There seems to be little disagreement with the predictions made by the millers association, of which all of us have received a copy, that rail rates will increase by roughly $18 a ton, an increase that they have been advised will likely mean the loss of their Cuban market, and thereby the loss of most of our remaining commercial market for export. This would affect mills from Saskatchewan to Halifax; and the producers will have lost a market for about 20 million bushels of wheat that the millers exported commercially last year.

Our customers seem to have little alternative, Mr. Speaker, and our millers seem to have little alternative. The Cubans insist on carrying flour on their own ships and refuse to pick up on the west coast. They cannot use unit trains, as the need for bagging flour precludes the bulk loading and unloading which is required to make the concept of a unit train viable. So unit trains for the movement of flour are going to be much more expensive.

The value of exports of mill products last year was $132 million, and 12 per cent of that was food aid. This government wants to remove the "at and east" rates, which relieved the cost of those products, some of which went for food aid, by as much as 82 cents per hundred pounds. It is difficult to know whether the removal of the subsidy would eliminate the movement of grain through the maritime ports. The rates for moving this grain already exceed the cost of shipping via Vancouver to Europe by over 20 cents a bushel. Removing the "at and east" rates just compounds that felony to the tune of 60 to 80 cents per hundred pounds.

The actual impact will depend on other developments. If the unit train is viable, then the current volume through the maritimes would continue and the producers would suffer no loss. But I doubt that they are going to be viable. Certainly, I do not believe they will be viable for the movement of flour. If unit trains do not work, then the current volume could continue, but at decreased return to the producers because the Wheat Board would have to absorb the increased rates.

If transport manages to clear up traffic snarls and jams at elevators on the Vancouver route, more winter shipments could go via Vancouver. But Vancouver is already congested and has all it can handle. It will be a while yet before any increased storage is in place at that port. In the meantime the government is prepared, in order to try and save a few million dollars which will not really be a saving, to victimize ports along Georgian Bay, the ports of Halifax, Quebec City, Saint John and Montreal, by placing in jeopardy the viability of what remaining Canadian owned flour mills we have, turning them over to the tender mercies of multinational corporations who are not interested in the welfare and good order of Canadian producers and Canadian millers. What appears to be a possible $11 million saving in so-called subsidies for grain and flour movement to Atlantic and eastern ports would in effect, mean a far greater cost to Canadian taxpayers, workers and farmers.

I repeat my opening remarks, Mr. Speaker. Our freight rate system must recognize our geography, our climate, where it is