

Grain—Deficiency Payments

Tremblay
Valade
Villeneuve
Vivian
Walker

Webster
Weichel
White
Winkler.
Wratten
Yacula—159.

Mr. Speaker: Does the house wish with unanimous consent to proceed on the amendment?

Some hon. Members: Agreed.

Mr. Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Mr. Pearson: On division.

Amendment (Mr. Pearson) negatived on division.

Mr. Fleming (Eglinton): Would the house be prepared to dispose of the main motion now?

Mr. Argue: No.

Mr. Pickersgill: Oh no. You tried.

An hon. Member: Grievances.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

GRAIN—DEFICIENCY PAYMENTS—REQUEST FOR CONSIDERATION OF WESTERN REPRESENTATIONS

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I rise at this time to ask for a statement from the government as to its policy regarding the question of deficiency payments on western grain. I see the Minister of Northern Affairs and National Resources (Mr. Hamilton) has just entered the chamber and I hope that at the conclusion of my remarks he will enter the debate and place the government's position in this regard on record.

The case for deficiency payments, western producers feel, is very strong. For many years they have been in favour, as they still are, of the Canadian wheat board system of marketing their grain. They have asked for stability in the assembling of their grain, in the grading of it and in the selling of it on the domestic and export markets. At the same time they have asked for a measure of stability in the price-cost relationship. They have said that the price of

their grain should bear a fair relationship to cost of production. Grain producers were quite satisfied with the price-cost relationship in the first few years immediately following the end of the war. They had a number of grievances at that time relating to the final payment and so forth, and after the British wheat agreement was brought to an end they had certain grievances as far as freight costs were concerned, but generally speaking they found their price-cost position between 1945 and 1950 reasonably good.

Since that time, however, there has been a drastic increase in the cost of production. Since 1947 there has been an increase of just over 50 per cent, according to official statistics, in the cost of production. At the same time there has been a general decrease as far as the prairies are concerned of 12 per cent in the price of agricultural commodities. As far as wheat is concerned, the drop has been 21 per cent. Western farmers find, then, that since 1947, the cost of production has increased by more than 50 per cent while the price of their most important agricultural commodity has declined by 21 per cent. I ask hon. gentlemen opposite how any ordinary business firm in this country could maintain its solvency over a 10-year period if it faced increased costs of 50 per cent and a reduction of 21 per cent in the price of its main commodity.

Prairie producers at this time face a very serious economic crisis. It is true that in recent months prices of certain other agricultural commodities have tended to increase. Farmers on the prairies in desperation have been taking a substantial acreage out of wheat and turning it into coarse grain, turning it into coarse grains and fodder crops, and increasing very substantially their production of cattle and hogs. I think that is a sensible long term trend but unless something is done to correct the price-cost position as far as grain products are concerned there will be a far greater acceleration of the movement away from the production of grain to the production of livestock which, I suggest, would have disastrous results as far as agriculture in other parts of Canada is concerned.

No one will dispute me when I say that you can produce grain on the prairies more cheaply than in any other part of Canada, and if the grain producers find it is unprofitable for them to sell their grain they will turn it into livestock, and if they turn any substantial percentage of this enormous production of grain into livestock and livestock products it could mean the total collapse of agricultural prices all over this country. I am hoping that the government will act. Certainly the farm organizations have