

Grain Prices

The statisticians who established these prices worked hard, but no matter how hard they worked—looking back at it 25 years later—one realizes that it was impossible to be precise. Therefore, the cost of production is still an active subject to be studied by those statisticians. If any hon. members want to know what I mean by the difficulty of determining a price, they should read the last report of the Canadian Federation of Agriculture in which their officials spent two years working with the Department of Agriculture trying to arrive at cost of production figures. Do not blame them, as humans beings, for failing. I think it is humanly impossible to actually project any firm cost of production. Unless you have some relationship to the cost of production, any form of support price which is established is not much good. In effect, what the farmers are asking this House to do, through the Canadian Wheat Board, is that when the price is set, is not simply to use the criterion of the best guess of what the price will be in the United States over the next year. Take a look at the farmers' costs of production. Even if it is proved, pick some initial price related to the cost of production which is reasonable. If one reads through the speeches given by the present Minister of Agriculture (Mr. Whelan) over the last ten years, one will see he has been trying to do this in relation to other products. He has changed the three-year working average. He has changed the percentage from 80 per cent to 90 per cent and up to 100 per cent, searching for a better way of doing it. But the wheat farmer does not receive that type of attention from the Minister of Agriculture because these particular items, cereals and oilseeds, are under the Canadian Wheat Board.

● (1630)

The hon. member for Wetaskiwin is really requesting that we give to the farmer who works under the socialized control of the Canadian Wheat Board, if one wants to call it that, a type of initial price based on the cost of production rather than the best guess. There is a risk involved in this because the Wheat Board does not have any money of its own and when it sets its initial price, it must go out and borrow from the banks to pay the farmer. Then when the grain is sold a year or a year and a half later, the farmer accounts for the price he actually sold it for, the cost of interest is taken off along with the cost of shipping and all the rest and then the second or final payment is worked out. The farmer is very happy when he gets more than he expects because it is still a guessing game. What the farmers need now, considering all the changes during these last few years along with high costs, is an initial price based on something better than the best guess. We should see whether we cannot decide a floor price based on a rough equivalent of the cost of production of various types of grain. I will not put words into the mouth of the hon. member for Wetaskiwin, but I know that is what he is trying to do.

I would suggest that on this particular motion, which is only requesting the government to consider this proposal, it would be quite safe for whoever speaks for the government to stand up in the House and say there should be no change in the value of Ways and Means of the government. The government should simply be asked to accept this motion and put it before

a standing committee of the House to let it determine some form of direction for the Canadian Wheat Board. This would allow the farmers under the jurisdiction of the Canadian Wheat Board to make the same effort in planning as those producing other products in Canada covered by the Agricultural Prices Stabilization Act. It is very straightforward. It will never be perfect, but at least there will be a little improvement.

This motion is obviously very simple. It will simply put up the cost of production using the formulae available, worked out with great trouble by the Department of Agriculture and by the Canadian Federation of Agriculture. They will relate that initial price and announce it a month in advance of the planting season so that the farmer can consider his various choices. He will know the floor price, or at least the initial price, so that he will know what his costs will be if he produces a certain crop or how close he is to his cost of production. If he can see that he will make some money out of it, he will probably grow the crop. But if he sees that he can make even more money from another grain, he will go the other route. This will simply help the farmer to plan. It will not cause the treasury of Canada to bear any cost. If the Wheat Board sets the initial price too high, there will be a smaller final payment, the farmer will simply take the money ahead of time, and then he will pay it back. He will have to pay the interest. Therefore, the farmer will take all the economic risks. All we are asking is to please give the grain farmer equal treatment with other types of farmers under the Agricultural Prices Stabilization Act.

I think I have made a fair representation as to what the hon. member for Wetaskiwin wants done under this motion. I would like to add a few thoughts of my own. I was involved with the setting up of the Agricultural Prices Stabilization Act and I praised it many times in the House. On every occasion, I tried to help improve it. But I still think there is much to be done based on the type of proposal made by the hon. member for Wetaskiwin concerning the grain department. We should apply some of his background knowledge on the figures to other products covered by the Agricultural Prices Stabilization Act. I am referring to fundamental products like potatoes, beef, fruits and vegetables. I know much work is being done under the Agricultural Prices Stabilization Act, and the formula is constantly being changed, but I do think additional work could be done such as that being done in the Canadian Federation of Agriculture and the Department of Agriculture with respect to grain. This deep study of the figures should be applied to arrive at a fair floor price, not only for producers of grain which come under the Wheat Board Act, but also for all farmers and all of these key products.

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to advise the hon. member that his time expired at 4.33. Perhaps he might want to seek the unanimous consent of the House to complete his remarks. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): For many years Canada has fought for international commodity agree-