

Argentine go to extraordinary lengths to make sure their grain producers can compete on a reasonable and equitable basis in world markets, but we do not.

Surely it is long past time that this nation as a whole share in the cost of making our agricultural producers able to compete with those other nations. If the U.S. support prices are somewhere in the order of \$5.50 or \$6 a bushel, and they and the EEC are selling wheat in the international market at from \$2.50 to \$3.50 a bushel, while Canadian producers, given the announcement on initial prices, will get about \$3 a bushel. While their competitors are getting an additional two or three dollars a bushel from their respective Governments or economic organization, every single one of our farmers is expected to compete with that and lose money while raising grain. Everyone recognizes that the cost of production of a bushel of grain at the moment exceeds its selling price. I am sure my hon. friend from Red Deer could give us chapter and verse of individual and classic instances of that.

The Government says that payments under the Western Grain Stabilization Act will be announced on Monday. Unless I miss my guess, that will likely put the fund in a deficit position. Fair enough. It makes no difference under the legislation whether the fund is in surplus or deficit. The Government can and will at its whim make payments out of the fund. It is the farmers' money, including the two-thirds portion which the Government put in. I suppose in some respects it is something like a pension fund, only this is an income stabilization fund. However, it is their money. Yet the Government suggests that this is some kind of free gift or hand-out when the law of the land requires that the fund make payments whenever prices fall below a certain amount. It is the farmers' money. They kicked in hundreds of millions of dollars. It has nothing to do with what is happening today or for the rest of this crop year or the next crop year. It is because of their experience over the past year. That is why a deficiency payment is required at a minimum of \$2 a bushel for all export grain. We need a two-price system. The presumed domestic grain should be at parity prices. It was Mr. Diefenbaker in the 1940s and 1950s, along with the CCF, who said: "We need parity, not charity".

The other bad thing about the Western Grain Transportation Act is the way it is set up. My friends from the Conservative Party were with me when we fought Otto Lang to a dead stop on his first grain stabilization Bill. We went to court, myself and four farmers, and won \$100 million for western grain producers. We forced him to withdraw his first Bill. He then brought in a second one, the one we have now. Well, Sir, the trouble with it is that the farmer who sells the most grain gets the highest payment.

We could not figure that out in the early and middle 1970s either. We said to the Government that if it ran the national hospital and medicare Acts on the same basis, once illness passed a certain level it would trigger a payment from a national health fund, and the person who was not sick a day in their lives would get the highest payment. If you were to set up

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the Unemployment Insurance Act on the same principle and unemployment passed a certain level, which would trigger a payment from the UIC fund, the fellow who worked full-time would get the highest payment. That has been on the statute books of this country for these past 10 years or so on grain stabilization. Aside from that, it is still the farmers' money and it is designed for income stabilization over the previous year.

What is needed is a deficiency payment which provides a minimum of \$2 or \$2.50 a bushel for export grain. That means grain producers get the same price as their counterparts in the U.S. or the EEC. Now what could be fairer than that? That places our farmers on what Tories like to call a level playing field. Surely that is the least we can do as a nation. If you pay a parity price for domestically consumed grains it may well mean a three, four, five-cent increase in the price of a loaf of bread. Grain prices have been falling every damn year for the last five years and bread prices did not go down, they went up.

• (1450)

Even if there are legitimate increases in the price of a loaf of bread that is not the time to talk about subsidies to farmers, that is the time to talk about a subsidy to consumers, for the poor and the sick. That is the time you pay a consumer subsidy, whether it is by way of food stamps or through the income tax system or whatever.

Surely to goodness if we are going to keep western grain producers, those in central and eastern Canada, the Peace River country of British Columbia as well, if we are going to prevent any more of them from going out of business, a deficiency payment is the only way, and the only way to answer what the United States Farm Bill and what the European Economic Community is doing to us.

Even the Government of Argentina for the last several years has not charged their farmers anything by way of freight charges to ship grain to export position. Admittedly they do not have to ship it more than a couple of hundred miles at the most and we have to move ours, on the average, a thousand miles. Australia produces its grain, 90 per cent of it, within 200 miles of salt water. We are in the middle of the northern part of the North American continent. To expect our agricultural producers, not only of grain but livestock and other products, with that kind of geographical disadvantage to compete on an even basis with the United States or the other exporting countries is not only obscene and harmful to the national interests, it is totally unfair to our agricultural producers.

Therefore, if the Government can get up now and say that it will increase that borrowing bill from \$22.6 billion to \$24.6 billion, and a billion of it goes into housing and cleaning up our environment and a billion of it goes into agriculture, they will have the support of everybody in the House and the nation as a whole. I believe Canadians know that all of us together—it is called co-operative federalism—have to share in the cost of being a nation in which all of us are treated fairly and equitably.