

Alleged Failure to Aid Western Farmers

• (5:20 p.m.)

The transportation story is now known. It is difficult to say how many bushels of export sales were lost through the government's mishandling of this situation. The government has continued to dawdle in developing more aggressive marketing policies. The situation was noted by the agriculture committee of the House of Commons after its western tour when it recommended that more aggressive sales policies be adopted by both the Canadian Wheat Board and the government of Canada. It is important to note the reference to the government of Canada. For some time the federal Liberal government has attempted to wash its hands of responsibilities for grain marketing. This is impossible in the present world trading situation. Now, it is apparent that export sales during the current crop year will be no higher and will possibly be lower than during the last crop year. This is certainly a far cry from the 1.3 billion bushels of export sales that the Prime Minister, indicated last year would be made during the next three years. This represents 430 million bushels per year of export sales in addition to the approximately 150 million bushels per year for domestic consumption.

These factors, together with some factors which are beyond the control of government, have combined to produce a serious financial and economic crisis for farmers in western Canada. It should be noted that this crisis affects all farmers concerned with the raising of grain. Regardless of whether a farmer is engaged in a mixed grain-livestock operation or whether he engages in grain production solely, he finds himself in a crisis situation which requires urgent, national attention. It is now estimated that farm cash receipts in the current crop year could be as much as 33 per cent below the last crop year. Farm income from wheat sales will probably be about \$660 million this year, compared with \$984 million last year. On the other hand, farm costs have continued to rise. In January 1969 the index of farm production costs for western Canada stood at 375.8 basis 1935-39 equals 100. This is almost 19 points or 5.3 per cent higher than the index in January 1968. Judging from the government's inept policies in developing its Prices and Incomes Commission, there is little likelihood that this trend will be stopped in the near future.

In the face of these facts, I consider the government's failure to provide any assistance to agriculture in the budget is a national disaster. The government provided for a

[Mr. Burton.]

\$250 million surplus in government accounts —\$575 million in terms of the true effect of the budget on the economy. None of this money was made available to relieve the critical situation facing agriculture, western agriculture in particular. The government's budgetary policy in this regard is economic nonsense. If it were just nonsense, it would not be so bad. The trouble is that it is disastrous and will contribute to the economic ruin of thousands of farmers. The government correctly decided that it should be selective in making changes in capital cost allowances. These changes will apply to those sections of the country where inflationary pressures are the greatest. Why did it not take steps to assist the situation on the prairie provinces, where inflationary pressures are for the most part non-existent. In fact the opposite situation prevails. The economic slack resulting from the agricultural situation has become a matter of national concern. Low quotas, reduced prices and special costs arising from the damp grain situation have reduced the purchasing power of agriculture to a low level not seen since the days of the senile Liberal government of the mid 1950's.

It is for these reasons that I particularly wish to congratulate the leader of my party, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) for introducing this motion in order to point up the urgency of government action to deal with the critical cash position facing western farmers. This motion has the full support of all members of the New Democratic party, coming as they do from various regions of Canada. My colleagues in the New Democratic party support this motion because they realize that an urgent problem exists on the prairies, and they can see the effects of the problem on other regions of Canada.

Numerous proposals have been placed before the government to deal with the situation. My colleague the hon. member for Saskatoon-Biggar (Mr. Gleave) made a proposal that a deficiency payment of 20 cents per bushel should be paid on wheat deliveries during the last crop year. He also proposed a maximum level and noted that supplementary steps could be taken to assist producers of coarse grains. Similarly, steps could be taken to ensure all full time farmers a minimum level of return from such a payment. Other proposals have been made by the Canadian Federation of Agriculture and the National Farmers Union. While there have been differences in the method of payment suggested all