

Supply—Agriculture

that there will be a gradual build-up of this service as the system and expertise to administrate it are developed.

The task force on agriculture is making good progress toward the delivery of a preliminary report to serve as the basis of documentation for the Canadian congress on agriculture which the government is convening in Ottawa from March 24 to 27, 1969. The congress will provide all groups in agriculture an opportunity to discuss the work of the task force and to give their views on the problems facing the agricultural industry and on the development of national goals and long range programs and policies to deal with these problems.

Action has already been taken on the government's decision to work toward the establishment of a national grains council which would embrace all aspects of the grain industry. I am convinced that this proposed council can play a very important role in co-ordinating program planning, promoting research, establishing effective liaison between industry and government, and assisting in developing export possibilities.

These are only a few illustrations of the department's recognition of the forces that constantly change the face of Canadian agriculture and necessitate continual review of policies and programs in response to the current needs of a dynamic industry.

Mr. Stanfield: Mr. Chairman, I had hoped that the Minister of Agriculture on his return to the house and on this first opportunity he has had for some time to make a statement of any consequence with regard to agriculture would give us something concrete as to the plans of his department to attack the very serious problems facing the agricultural industry in Canada. I hope he will excuse me if I cannot discuss this subject this afternoon in the same bland manner he has followed in introducing his estimates. I feel it is necessary to speak rather bluntly about some aspects of agriculture.

No responsible Canadian can help but be concerned about the conditions and prospects of agriculture as we are about to enter a new year. In the east there is a steady and continuing decline apparently unchallenged and unrecognized, at least by any sign of useful action by the minister. It is worsened by such developments as the flood of cheap United States corn into Canada. This has been brought to the attention of the minister time and time again, yet he failed to act until it

[Mr. Olson.]

was too late. Indeed, he has dawdled, and the result is that now it is estimated that imports of corn are up 20 per cent this year in Quebec and the maritimes and amount to over 40 per cent of the market.

Throughout the agricultural sector of the economy there is a more pessimistic and uncertain climate than we have seen for some time. Farm receipts are down from last year and it is expected they will be slightly up next year, to about the 1967 level. Is this real progress under the circumstances? Farmers are worried about markets and about the future, and they are holding off borrowing and investing. One can see this in the reports from farm machinery companies. Sales of farm implements were down in 1967 and in the first six months of 1968 by 20 per cent and there is no sign of any upturn.

While income remains static, what is happening to expenses? It is fair to say that farmers have taken an especially brutal beating from inflation. The composite index for goods and services used by farmers rose by 6.4 per cent last year. According to information produced at the federal-provincial conference on agriculture last week, this year's increase will be about the same. This represents an increase in farmer's costs. Machinery prices were up by 3.1 per cent last year and a larger increase will be realized this year when the final figures are in. Prices of important building materials will be up by over 7 per cent when the final figures are in for this year. One could go right through this list. The squeeze gets tighter; yet the government continues to hang loose.

During the past crop year exports of our main grains, with the exception of barley, all declined. Wheat and flour exports fell to 336 million bushels compared with 515 million bushels the previous year, and 31 per cent below the average for the previous five years. Canada's percentage of the world wheat trade is estimated to have fallen from 29 per cent in 1966-67 to 23 per cent in 1967-68, while that of the United States rose from 37 per cent to 39 per cent.

What is the contribution of the Minister of Agriculture to all this? As far as I have heard he has simply criticized farmers for half-learning the lessons of economics and half-learning lessons of business reasoning. He said this to the farmers:

Some farmers have convinced themselves that their economic situation is worse than it may be in fact and the government is under pressure resulting, in part at least, from the farmers' misunderstanding of economic principles.