

Supply—Agriculture

average crop each year and exporting more than an average crop while the farmers go bankrupt. So continuing our exports at the good levels of previous years is not going to correct this problem of the price-cost squeeze.

Then the second plank is a comprehensive crop insurance program. I would be most pleased if such a program were brought about. But what does crop insurance mean? It means at the very best that the farmers will get a smaller income in time of crop failure than if they had a crop. Hence at the very best it will give them less money than when they have a crop. They have had good crops. They have sold good crops. Yet they are going broke. A crop insurance program is not going to cure that situation.

The third point, a food bank for deficit areas in time of crop failure. That is a good program. That is part of sound agriculture. But it does not meet the current price cost squeeze at all.

The fourth plank is long term program of farm loans. That above all will not solve the farm problem. The farmers in western Canada now are much more concerned about paying the debts they have than about getting more debts. While long term credit at low interest rates will be of value in building an economic unit, it is certainly no cure for the problem at hand.

The fifth plank is the means of meeting the small farm problem which the government has talked so much about. The government has under consideration ways and means of improving the level of living of farmers on small farms by means of better land use. That will not do very much. The farmer on a small farm is probably the best authority about how to use his land most efficiently and he is using it efficiently. He is using it so efficiently that he has marketed the biggest crop in history in recent years. So that is not going to get him out of this mess.

The government is going to encourage the formation of economic farm units. The problem is that we have the small farm. Now they say they are going to get him a bigger farm. It means only one thing, namely that there will be fewer farmers. When you get one farmer on a bigger piece of land, there is less land for somebody else because the supply of land is fixed. When you divide it up into bigger units, you have fewer farms. So what they say is that they are going to help the small farmer by getting rid of him and leaving the land to larger farmers on economic units.

As the sixth plank, plans are already under way for a national conservation conference. Judging by the accomplishments of some

[Mr. Argue.]

recent conferences, I do not think too much hope can be given to the producers on the basis of a conservation conference to deal with the whole question of the price-cost squeeze and the economic position of the farmer.

What has been the reaction to this in western Canada? The other day I put on the record some of the comments of Mr. James Paterson, head of the Interprovincial Farm Union Council. I notice that other prominent persons in Saskatchewan have been making statements. I have here in my hand a clipping from the *Saskatoon Star-Phoenix* of September 2. It is entitled "Ottawa 'Deficiency' Payment Piddling, Van Vliet Thinks".

—said Professor H. Van Vliet, head of the farm management department of the university, "reminds me of the Bennett nickel-payment of the 'thirties.'" That is, he considered it too "piddling" to be worthy of much attention.

One of the very best agricultural economists in the province of Saskatchewan, the head of the agricultural economics department at the University of Saskatchewan, a man of many years experience in agriculture and in farm economics, a man who is not given to making exaggerated statements, calls the payment piddling. R. B. Bennett, when the pressure was on in 1931 and western grain producers were in a squeeze, brought in a payment of five cents a bushel on wheat. If the government had brought in a five cent a bushel payment on wheat for the two years that the wheat pool is asking about it would have amounted to about \$35 million. That would have been almost as much as the government is now providing for; and if they had made comparable payments on oats and barley, it would be more. A five cent payment based on purchasing power of 1931, related to the quantities of wheat marketed in the years 1956-57, and extended to oats and barley, would have meant more today than the \$40 million based on the \$1 an acre that we have under consideration. This is no better treatment in 1958, in terms of the cost of production and the value of money and the agricultural prices, than R. B. Bennett's five cents a bushel which did the Conservative party in those years more damage than good.

Mr. Nasserden: Why did it do more damage?

Mr. Argue: Because it was not enough. It was something like the \$6 increase in the old age pension. Every old age pensioner was glad to get it but it was far short of what was justified and needed and it made him so angry that he voted against the people who had provided the inadequate increase.