

Withholding of Grain Payments

serious consequence, because it is of fundamental importance for this country that we, as politicians on the national scene, should attempt to unite the country by helping people to understand the difficulties in each area of the country. I, in my turn, try to express the problems of Quebec to my constituents, and the hon. member in his turn, helps to explain to his constituents the problems which western Canada faces. I, therefore, appreciate the sentiments he expressed.

The government has been considering rapidly and thoroughly many aspects of the problems facing western Canada. Indeed, since mounting our special efforts almost two years ago, there are few aspects of the problems concerning the grain farmer with which we have not dealt or which we have not considered seriously from the point of view of attempting to make improvements and bettering the grain producer's position. Many more measures which are under consideration will come forward before long. They relate to improvements in the situation with which farmers are faced.

When the stabilization bill proposals were enunciated in their final form on March 15, I indicated at that time in statements I made that the whole question of the income position of the grain farmer, which we were concerned about, needed constant examination. I indicated I was convinced that we had not done enough on the sales side, that is on the marketing side, over the years in going after international markets. We had not stressed that side enough. It seemed to me that there were only two sources from which income for the producer could come. One source was the proceeds from the sale of his product and the other was the treasury, or the rest of the people of Canada. I indicated at that time that although we were optimistic about our sales position, and in fact, that year turned out to be a record year for the export of grain, that we would have to look at all times at the income position of the farmer. I also indicated in the context of proposals which we were moving forward, which have now emerged in part and only in part as Bill C-244 which is before this House, that the package or proposals we were talking about was designed to increase treasury support for the prairie farmer by something in the order of \$100 million in 1970-71 and 1971-72 taken together over what would have been the case if no improvement in programs had taken place. That indicated our recognition of the serious cash position of the farmer. Nevertheless, we believed that there would be a record year in exports.

In the course of considering those proposals, we looked at existing programs and offered new ones. We looked in particular at the Temporary Wheat Reserves Act, which had been fairly seriously criticized by farmers over the years because of the manner in which it offered assistance to wheat only as against other grains which the very same farmers might choose to grow. That act was criticized also because of the way it led to the congestion of elevators on August 1 just before the new harvest was to be taken off. It was criticized also because, in helping with regard to wheat and in leading to a per bushel payment for wheat, the act helped large farmers very significantly more than it helped small farmers,—taken as a group; because it was the large farmers, of course, who might have a very large number of bushels of wheat delivered. They would get the same benefit per bushel as the opera-

tor of a small farmer who might deliver a much smaller amount of grain.

• (4:20 p.m.)

It was certainly our belief that for all of these reasons that particular statute was inadequate and undesirable. It was our belief that because of the cash shortage we should try to take the money that was involved in that statute for the year 1970-71, which at that time was estimated at about \$60 million, and add to that amount more money for a payment to be made that same year under the transitional provision of the stabilization act. But we proposed a payment to be made on an acreage basis so that producers of grain other than wheat would share. Payments were to be made with a limit on the size of the farm that would be able to claim. Looking at the interests of all Canadians and the needs of other interested groups at that time, we decided that more of the \$100 million, which we felt was available at that time, would be paid to those with smaller farmers than if we had not put an acreage limit upon the plan. That was the proposal.

The proposal was very clear on March 15. It had been clear previously from discussions with producers that we thought this should be done for 1970-71 and a period beyond that time. Because the Temporary Wheat Reserves Act was generally considered to be undesirable for those reasons, it was important that it be repealed and an improved method of payment be found as soon as possible.

In the debate on the bill, a number of hon. members opposite indicated their agreement with the view that the Temporary Wheat Reserves Act was generally undesirable, inadequate or led to distortion. This simply confirmed the view that was commonly held. At that point we indicated what we intended to do and subsequently did in producing for first reading on April 29 Bill C-244. In that bill, the stabilization program was to be established. Under that stabilization program, future commitments by the federal government to the western farmer are made.

In the short time available, I will not argue why that was bound to be worth more to the farmer in the future than retaining the Temporary Wheat Reserves Act would have been. Rather, I want to make the point that at that time the government was introducing, as a proposal to the House, a package which we had discussed with producers, a package which we felt at that point, having adjusted it in significant ways as a result of producer representations, was a significant improvement over the law as it stood without these changes. At that time the bill clearly stated our intention, that we should propose in that way to Parliament the repeal of the Temporary Wheat Reserves Act effective July 31, 1970.

It was surely clear to all members that when the bill passed, that clause would make the situation the same as it would have been had the act been repealed effectively and before that date in question. It was clear to the House that this was so. I gather from the remarks, in terms of timing, by the Leader of the Opposition (Mr. Stanfield) and the leader of the New Democratic Party that they understood that, because under the Temporary Wheat Reserves Act in fact some progress payments would have been made to the Canadian Wheat Board even before that point of introduction. In other words, it was the govern-