

Prairie Grain Stabilization Act

Affairs is so concerned about the consumer, I suggest that he inquire into the price of pork products in the stores, because it is much higher than the price received by the producer.

• (9:10 p.m.)

I have here a document prepared by the National Farmers Union which indicates that a farmer receives an average of 19 cents a pound, or about \$29.07 for a hog which is ready for market. When it is sold across the counter we find that it brings something like \$107.30 in downtown Ottawa. In other words, a farmer would have to sell four hogs at market in order to realize enough money to buy one back across the counter. If the Minister of Consumer and Corporate Affairs is concerned about the reaction of the consumer if a two-price system is instituted, perhaps the minister in charge of the Wheat Board would pose that question to him. Certainly a two-price system would not solve all the problems, but it would be a step in the right direction. I feel the producer should have some measure of guarantee based on costs of production, but it should be a simple formula and not a bureaucratic one which would entail inspections and regulations. We have already seen too much of them.

The transitional payment is a relatively simple matter but the administration and handling of the stabilization program will be expensive, complicated and in many cases confusing. We have had experience with this in the Lift program and then ew quota programs now being announced, which are difficult to understand and somewhat confusing. The measures being introduced, this one included, tend to create a false note of optimism in my opinion. The government will herald this as another great measure, but we have heard this all before. For instance, "Grow all the wheat you can and we will sell it". And last year all we heard was, "Let's diversify". Then, of course, the Prime Minister came along and said, "You can sell your own wheat".

A great deal could be achieved by the adoption of a two-price system or a guaranteed price geared to production costs on, say, the first 2,000 bushels of wheat sold by every farmer. The unit quota should be reinstated as well to assist the smaller operators and preserve their rightful place in the community. The emphasis on the Wheat Board's policy has changed from that of equity to that of efficiency. This will only tend to speed up what I call the eradication process.

Another point which must be considered is the exorbitant interest costs being incurred by the Canadian Wheat Board. Something should be done to alleviate this problem. Probably the best method would be for the government to provide sufficient funds to cover grain purchases. If we look at page 59 of the latest annual report of the Wheat Board we find that approximately \$4 million have been spent in interest and this is the responsibility of the producer. Then if we look at the 1968-69 annual report we find that approximately \$11 million became the responsibility of the producer in respect of interest costs which were incurred in the provision of funds required to purchase grain. At the present time the Canadian Wheat Board has a liability of close to half a billion

[Mr. Mazankowski.]

dollars to the banks, while its liability to its respective buying agencies is in excess of this, for a total liability in excess of \$1 billion.

Under clause 15 of this bill the producer will again be subjected to further interest costs covering deficits in the pool, on which interest will be charged. So, Mr. Speaker, for the present the payment of \$100 million will be welcomed, but looking at the long-term effects this bill is nothing more than a vehicle to stabilize poverty and to exacerbate the small farm massacre. It will eradicate the rural community and the rural life style to which we have grown accustomed. The 2 per cent payment into the stabilization fund will further aggravate the low net income position of farmers and will affect those who are at the seriously low end of the income scale. As mentioned by other speakers, there is no formula to take into consideration the effects of inflation.

The total withdrawal of storage obligations by the government seems to me to contradict the concept that Canada's wheat producing abilities and its ability to provide food for a hungry world are not only a national asset but an international asset. We see now that the government has pretty well left the grain producing community on its own, and I suggest that from here on it will never be considered a national asset. Canada can remain the great trading nation she has become through her grain industry if we adopt effective measures to aggressively pursue sales. With this in mind, I believe it is reasonable to suggest that it should be the duty of the government at all times to cover the costs of carrying at least one year's supply of wheat for export. I believe the Canadian Federation of Agriculture suggested something along those lines and mentioned sharing the cost on about 400 million bushels. I submit, however, that the federal government should cover the total cost.

With the passage of this legislation, coupled with the recommendations of the Menzies report, it is evident that the responsibility for storage of wheat and other grains will be left solely to the producers. This will mean new facilities and increased costs, all at the expense of the producer. With the new quota system, the concept of terminal non-cumulative quotas, the small operator will be under great pressure. In addition, with the commercial system reduced by 100 million to 150 million bushels, the grain elevator companies will lose revenue because of the reduction in storage income. I believe this, too, will result in an increased rationalization process of the elevator system, to the detriment of the producer. Coupled with that we have—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member and I do so only to advise him that his time has expired.

An hon. Member: Question.

Some hon. Members: Carry on.

Mr. Deputy Speaker: The hon. member may continue if there is unanimous consent of the House. Is there such consent?