

Supply—Agriculture

If I remember rightly, according to press reports dealing with the Prime Minister's journey, he was said to have offered, among other things, to the countries of south-east Asia our surplus of milk powder. Moreover, if I rightly remember those press reports, those countries were not too anxious to accept that milk powder surplus, but preferred the money that the democratic countries were making available to them, to help them organize their own economy and their own industry.

If, last year, there was overproduction of those products, particularly of milk powder, it is probably due to the lack of foresight of the government which let the farmers produce too large a quantity of milk powder in the hope that the countries of south-east Asia would become a good market for that product. But their hopes were frustrated, because those countries of south-east Asia preferred the money offered to them by the democracies. Obviously, we are involved; everybody knows that we, on this side of the house, have always advocated this development of south-east Asia, but not to the extent of increasing production in our country and creating a surplus for our farmers.

Mr. Chairman, I will not extend my remarks because I know that other members wish to deal with this matter, but, nevertheless, I will ask the Minister of Agriculture to reconsider the decision he announced today in the house, in order to enable farmers engaged in dairy production to secure a price equivalent to that obtained by producers in other fields of our national economy.

(Text):

Mr. Rogers: Mr. Chairman, at the outset I should like to refer to the western farm delegation. I must admit that prior to their coming to Ottawa, as a westerner, I was somewhat disturbed at a delegation of this size coming to the government. I can say now that as a westerner it was with a deep sense of pride that I watched this delegation in action and their performance throughout their stay here in Ottawa. I might say too that I was proud of the Prime Minister and the reception he gave the delegation. His sincerity and the pattern he set were followed by all concerned. In essence I would say that the farm delegation made a favourable impression on the government, all members of the house and certainly Canada as a whole.

Let us not have any misunderstanding. The agricultural industry has a problem and a

big one. Agriculturists have been sitting right in the middle of the price squeeze watching wages and machinery costs pyramid year by year and they simply are not able to do anything about it. As a matter of fact, it seems to be an established fact that farm prices are the first to go down and the last to go up. So I say there is a problem.

The problem did not just come about two years ago when the government took office. The problem stems back to surpluses and to the time the quota system was initiated. What did this mean? The terminals were filled, the elevators were filled and the producers had to put out money to provide granary space or dump the grain on the ground. What happened? Thousands upon thousands of bushels were sold at fire sale prices ranging from 55 to 85 cents a bushel to feed mills and feeders. Grain was traded for cars and machinery. It stands to reason that if a farmer cannot make out today at present prices he certainly could not make out at those prices.

The point I want to make is that there is a problem, in the business world, using good business sense, vision and forethought, the only time to rectify the situation and solve the problem is before it gets too big. I suggest that the government at that time did nothing about the problem. On the other hand, when the present government took office they did bring in a number of corrective measures which have been referred to here before.

I wish to discuss two corrective measures at this time. The first is interest free advances on stored grain and the second is the stabilization board. Let us look at the first, interest free advances on stored grain. I submit that if the government at that time had had any vision and initiative we would not have the problem we have today because the farmers would have had interest free advances at very little cost to the taxpayers of the country. However, the result was that grain was sold at ridiculously low prices and the effect is being felt today by many farmers whereas with interest free advances they would have had enough money to take care of their operating costs.

As to the second point, I do not think we need say too much about the stabilization board. It has sold itself right across the country. When it was initiated it was not supposed to be perfect although it was made as workable as the government could make it. However, you have to learn by experience