

Suggested Payment to Western Farmers

declining farm incomes, a problem which is serious at the moment and will be serious in the days ahead. According to statistics and reports at hand, the situation is serious. I have before me some statistics that were given to us recently in the Standing Committee on Agriculture. They relate to the Manitoba farm scene. May I quote from these statistics. In 1968, farm cash income in the province was \$364,816,000. In 1969 that figure was \$351,941,000. The 1970 figure shows a decline to \$341,957,000. Now, let us look at farm net income figures. They are what this debate is all about. In 1968, farm net income in Manitoba was \$162,666,000. In 1969 net income had declined to \$117,090,000 and in 1970—listen to this—had further declined to \$78,631,000. There has been a decline of over 100 per cent in three years. I do not have the figures for Saskatchewan at hand, although I questioned one of our witnesses before the committee, and he said that net farm income in Saskatchewan had decreased last year by \$200 million.

If you go back to the period 1962-63, when we developed policies to move western grain to world markets, you will find that Saskatchewan farmers, as well as prairie farmers in general, enjoyed an average net income of about \$4,800. Last year, according to figures at hand, the net income of our farmers declined to about \$1,000 per farm. That means, of course, that some farmers earned more than that; nevertheless, a large number of farmers did not enjoy any net income at all. That is precisely why we have no alternative except to wholeheartedly support this plea for an emergency injection of \$100 million into the farming economy at once.

We passed through a similar emergency just before the party I support took office in 1957. There was a very serious farm problem at that time, too. All kinds of grain was piled up in every elevator, in skating rinks, in farmers' bins, in terminals and so on. We were not selling enough grain and, consequently, the farmer was caught in a serious cost-price squeeze. We met that emergency by doing something similar to what is suggested here. We pumped \$45 million into the farm economy. There was another temporary emergency in 1959, and we again put another \$43 million into that economy. The same thing happened in 1961 when there was a drought, and another \$45 million was pumped into the economy, to tide farmers over the emergency while the government went about developing long-term policies relating to trade as well as the selling of grain.

We entered into trade agreements with countries like Japan involving textiles and with other countries, Poland, Czechoslovakia and countries in South America. We sold wheat to China in 1961 on a long-term credit basis, and this put our agriculture into a viable economic position. Liberal governments followed those policies for several years and rode along on the economic band wagon which had been created without developing new policies.

Then, the International Wheat Agreement collapsed in 1968. Actually, that collapse was heralded in the spring of 1967, when it was agreed that we would come up with a new grains arrangement on July 1, 1968. That arrange-

[Mr. Southam.]

ment did not materialize. I wish, in that connection, to cite some other statistics and figures which were presented before the Standing Committee on Agriculture this morning. They relate to the total value of all marketings and go back to 1949-50. From 1949 on the picture became progressively better until 1952-53, after which a decline set in which, according to the figures, continued until 1956. There was a slight increase in marketings in the period 1960-61 when my party took over, and these figures began to improve. By 1960-61, as a result of trading policies we instituted, we were able to increase incomes with respect to all grain marketings to \$708,570,000. Those incomes increased until, in 1966-67, they reached \$1,353,172,000. Then began a decline, and in 1969-70 those marketing values were down to \$855,210,000.

Those figures support what I have been saying. Gross farm income and, particularly, net farm income has been declining. The picture will get worse because, as a result of the Lift program of last year, farmers were coerced into reducing wheat acreage by 12 million acres. If you accept a nominal figure of, say, 30 bushels of grain grown per acre and consider that that amount was not grown on the acreage taken out of production, you will see that about 360 million bushels of grain that could have been produced were not produced. If that grain were sold at \$1.50 per bushel, a minimum price, it would mean that the farm economy would have received over half of \$1 billion. It has not received that amount.

I do not think anyone in this House can ever say that we have thrown grain into the ocean or been forced to sell it at fire sale prices. It seems that mother nature enters the picture; there is an upset in conditions in other parts of the world and the result is that we can find markets for our grain. In any event, the potential income from grain sales in western Canada has been reduced by half of \$1 billion. This loss we can never regain. It is only reasonable that, in the face of emergencies, we should take steps such as have been suggested this afternoon and inject \$100 million into the farm economy. We should then develop an over-all agricultural policy that will put our agricultural industry into a viable position and give hope to our farmers. We must create an optimistic outlook for the future.

Bearing all those things in mind, I should like to relate to the House a few facts. First, what is the problem? Canadian agricultural policy must be related to the business of agricultural recovery. National economic policy has been guided by five goals. They are full employment, a high rate of economic growth, a reasonable stability of prices, a viable balance of payments and an equitable distribution of rising incomes. From this point of view, Canadian agriculture has been a leading achiever and contributor. However, today it is in deep trouble and its problems relate to the quality of Canadian life and the horizons of Canadian development. Last year, Canada became a net importer of food products. Approximately two-thirds of Canada's farm families live below the poverty line. The sale price of farm products is not keeping pace with the increasing costs of food production. The net income of the farming industry continues to decline.