

*Suggested Payment to Western Farmers*

families is this: We are suggesting that a farmer in that position use the assets and equity he has in the farm unit, together with some subsidization from the federal treasury, in order to give him sufficient resources to obtain some skill and enable him to provide for himself and his family during the transitional period of withdrawal from agriculture. He may undertake the necessary retraining and acquire skills so that he can find a place for himself in society in an occupation other than farming.

There is a third option suggested for other farmers who are not old enough to be near retirement and who want to continue in farming. In that case we are suggesting that some counselling and farm management service be provided. In addition, special credits should be provided so that he can acquire other small farm units and consolidate them into a unit which is large enough to provide him and his family with a decent living after expenses have been paid.

We think all three of his options should be considered together. Certainly, if some farmers are to retire and others are to withdraw from farming to go to other sectors of our economy, we need some people to pick up these small farm units and consolidate them into units large enough to provide a decent return. It may be, and this would be a very small part of the over-all program, that we may wish to use the land contained in some of the small farm units that are located in the areas of marginal or sub-marginal capability in so far as the soil is concerned for some other purpose. A number of suggestions have been made. Reforestation has been suggested, as well as using some land for recreational and other purposes. I do not want to get into the details of those suggestions. There may be some in that category.

● (2:30 p.m.)

It is essential that we make arrangements with the provinces in advance as to the disposition of this kind of land. This is one of the aspects we are discussing with the provinces at the present time. Certainly, we in the Department of Agriculture do not wish to become landlords of great numbers of farm units. I want to make it very clear that if there are any transfers for other purposes, these will be or at least ought to be made after a transitional period with the co-operation of the provinces.

There is one other important area of this adjustment program. We do not wish to enter into a program and set up all of the administrative machinery that is necessary if any part of it is going to duplicate what the provinces are already providing. For example, in those provinces where there are counselling and farm management services available, these services should be used. They should be co-ordinated with this small farms adjustment program so there is not a duplication and, even more important, that there is not a competition between various levels of government in offering these programs.

I hope hon. members will discontinue the argument that we are trying to drive these people out of agriculture and that we are going to set out on a policy that will force a reduction of perhaps 50 or 60 per cent in the

number of farmers in this country. We know that the total number is now being reduced. This program is designed to give some assistance in being helpful to people in those situations who may want to choose one of the options we will be offering. I see that my time is rapidly running out. Before I conclude, I want to say a few words about some of the other commodities. I have been dealing with those commodities with which there have been the most difficult problems during the past few years.

Typically, all members who have participated in the debate so far have concentrated on these commodities rather than mentioning some of the other commodity groups where there has been an improvement from last year to this year and, indeed, a gradual improvement for the past four or five years. For example, beef looms very large in the total of the agriculture production in Canada. One year ago, Mr. Speaker, choice slaughter steers were selling on the Toronto market for 33.5 cents a pound. For the week ending May 29 this year, they were selling for 34.5 cents a pound. I remind hon. members that the price was substantially less than that three years ago. During the same week last year, they were selling on the Winnipeg market for 33.3 cents and at 34.25 cents in 1971. In Calgary the price increased from 32.4 cents to 33.4 cents. While this is not a large increase, it indicates that there has been sufficient to cover the increased cost of production during the past year.

The dairy sector is one area where there has been a remarkable, almost a dramatic improvement in the marketing situation during the past 12 months. About one year or perhaps 18 months ago, we had great quantities of skim milk powder and some other dairy products. Attempts were made to sell very large quantities in the international market at prices less than half of our support price in Canada. At that time, our support price under the Canadian Dairy Commission was approximately 20 cents a pound for skim milk powder. About a year and a half ago, we were getting six to seven cents in the international market. This was partly because of the supplies that Canada had on hand and partly because of the large supplies of this product that were available in a number of other countries, particularly inside the European economic community.

A year ago we embarked on a very difficult change in the dairy policy of Canada. We substantially increased the holdback on shipments that were made in excess of quota. I know there was some criticism, but as a result of that and other changes in the international market, we now have a much better situation. As a matter of fact, twice during this year we have increased the returns to producers on dairy products in the industrial sector. On February 8, we increased the product prices, in the case of skim milk powder from 20 cents to 24 cents and in the case of cheese from 47 cents to 51 cents. This increased the value of the milk being shipped to the producers by about 32 cents per hundred. Almost all, in fact 29 cents, was passed on to the producer by the processor.

On June 1, I announced that we were lowering the holdback for these producers, again increasing their

[Mr. Olson.]