

Canadian markets are down 58 per cent. During this time the costs of the western farmer have increased.

On October 31 the Minister of Agriculture told us how wonderful it all was, and again last night in his speech he told the farmers of western Canada and those concerned with agriculture in general that they never had it so good. While prices were falling all around he spoke of the high prices we have enjoyed on the average in the past five years. I point out that we have also enjoyed very high costs, and these costs are getting higher. At the same time the price of farm products is falling. The government and its members have only one thing in mind, the leadership convention that will take place in the first part of April.

Is this parliament going to sit by while the western wheat producer is taken for a ride? On October 31 the minister in his speech mentioned that an average farm in the province of Saskatchewan contains 763 acres at the present time. I would like the minister to look at a 700-acre farm in Saskatchewan. The Canadian Wheat Board has said that we will be lucky if we get a six bushel quota. That means that 4,200 bushels is all that a western farmer can sell. This will bring in approximately \$6,500. In what situation does this put the western farmer with a family to keep, taxes to pay, the increased cost of machinery to face, and debts to pay off? What other group of people in Canada would be expected to pay for all these things on a \$6,500 income, and on top of that to buy the land and the machinery to go with it?

● (5:30 p.m.)

A drop in the economy of western Canada, which we appear to be facing in the next few months, will produce repercussions right across the country, in the automobile showrooms, the farm implement business, retail merchandising, and also in investment. A drop in western prosperity will be immediately reflected in eastern Canada. If there is a continuing rise in unemployment we will be able to thank this government and its policies. Just recently the Saskatchewan government released a white paper showing a 37 per cent drop in farmers income in 1967. I should like to quote the following article from the *Financial Times* of February 12, 1968, headed, "Saskatchewan Tightening Its Belt After 'Only Average' Crop":

As wheat goes in Saskatchewan, so goes the provincial economy and in 1967 several areas of the provincial economy deteriorated.

Supply—Agriculture

A government white paper last week showed drops in total income, net value of commodity production and housing completions. . . .

Total personal income dropped 6 per cent to \$2 billion in 1967—a drop of 37 per cent in farm income. . . .

Farm machinery investments dropped, though, because of the smaller crop.

The wheat crop for 1967 totalled 339 million bushels, about 37 per cent lower than in the previous year—but higher operating and depreciation costs are expected to reduce net farm income to about \$329 million—about 37 per cent lower than in 1966.

Having been a farmer in western Canada and knowing what the real pinch is, I think this is a very true picture. We in Saskatchewan have a wheat crop of 339 million bushels, which is 37 per cent lower than in 1966. The average yield is 17.7 bushels, 10 per cent under the 1957-1966 average. Net farm income in Saskatchewan was \$329 million in 1967, down 37 per cent from \$751 million the previous year.

We have heard the Minister of Trade and Commerce congratulating himself on having extended the range of the agreement. This does not help the farmer at a time when we have a low minimum price and prices which go below that minimum as well as a falling off in general sales. The western wheat farmer, in view of his massive commitments, cannot be expected to view the situation with calmness. I am sorry I cannot take the same optimistic view of the situation as do the Minister of Agriculture and the Minister of Trade and Commerce. Since neither of them is caught in a cost-price squeeze in the face of falling prices and falling markets they can afford to be unmoved, but the western farmer cannot.

What about the final wheat payment in 1969? This is when the western farmers will realize that as a result of the lack of sales in the current crop year there will be practically no final wheat payment in 1969. It was an unpardonable example of gullibility for these ministers to leave Canada and the Canadian wheat producer without the protection of the international wheat agreement for a whole year. It is all right to be an international good fellow, but already this action has cost the western farmer and the Canadian economy more than Expo—well over \$100 million. At the same time, wheat sales are sagging because of United States undercutting made possible by the failure to insist on maintaining or extending the wheat agreement. Many countries have held off their wheat purchases in anticipation of falling prices.