

Economic Conditions in Rural Communities

Because some opposition speakers have tried to leave the impression that Liberals have no concern for grain farmers I would now like to spend a few minutes reviewing this government's record with respect to the grain industry. This government has done many things in the past 2.5 years to assist grain farmers. Interest free cash advances were doubled, the Export Development Act was passed to provide better credit terms to our grain customers and the "block system" was devised to improve our grain transportation system.

On July 1, 1969, the government appointed Charles Gibbings to the Wheat Board. He is a Saskatchewan grain farmer who had been president of the Saskatchewan Wheat Pool for several years. The performance of the Wheat Board has been steadily improving ever since. Our antiquated quota system was investigated by a government-appointed committee which included the vice-president of the Saskatchewan Wheat Pool, Ted Boden. This report has already resulted in some improvements and others are to be made in the coming year.

A two-price system was begun in March, 1969, which pegged domestic wheat at \$1.95.5, while export prices fell nearly 20 cents. The Canada Grain Act, unchanged for 40 years, has been revised—I might say, over the strenuous delaying tactics of the Conservatives—and soon protein grading will be a reality. A Durum payment of 25 cents per bushel was made last spring by special action of the government, which put \$6.5 million into the hands of Durum producers which they otherwise would not have received. Incidentally, I believe that my efforts had a great deal to do with the government's decision to provide special funds for the Durum payment.

Over a year ago the government appointed Hon. Otto Lang as minister in charge of the Wheat Board. This was the first time a federal minister had been given exclusive responsibility for the grain industry. He started an aggressive campaign to sell wheat and feed grain, and sales are going steadily upward. He persuaded the government to budget \$100 million for a wheat acreage reduction plan, called Lift. In spite of its shortcomings, this plan succeeded in cutting wheat production in half in 1970 and is putting \$60 or \$70 million of new money into our Prairie grain economy.

A former government appointed a task force on agriculture. This government has convened two Canadian congresses of agriculture to discuss their report, one in March, 1969, and another in November, 1970. Never before had we had a national meeting of all segments of agriculture to look at farm problems and consider possible solutions to them. The government has been paying increasingly larger sums to the Wheat Board for wheat storage. This accounted for most of the 12 cent final payment we received in the spring of 1969. Last year there was a deficit in the Wheat Board accounts, which required the government to put up \$58 million to support the initial prices on wheat, oats and barley for the crop year 1968-69 and to allow that extraordinary 25 cents payment on 1968-69 Durum Wheat.

The minister in charge of the Wheat Board has stated that he will announce the initial prices for 1971-72 before March 1, 1971, and will at the same time indicate expect-

[Mr. Douglas (Assiniboia).]

ed quota levels for the following crop year. He has already given preliminary recommendations for seeding next spring. These call for a 65 per cent increase in wheat, a 60 per cent increase in barley, a 50 per cent cut in flax, a cut of 35 per cent in summerfallow, an increase of 10 per cent in grass and not much change in other crops such as rapeseed and oats. The \$10 an acre incentive to plant forage, spread over two years—which was a new program in 1970—will be continued for perhaps another two or three years. It was tied to wheat acreage reduction in 1970 but will not be so related in 1971.

The government has steadily increased Canada's food aid program. This year it is buying about \$100 million worth of our grain for this purpose and is now one of the Wheat Board's best customers. The minister has two very important studies under way at present, one on the marketing methods used by the Wheat Board and the other on ways in which our grain handling and transportation systems can be made more efficient and less costly. Both of these hold great promise for a brighter future for our grain industry.

• (8:20 p.m.)

Time does not permit me to describe the many other programs which benefit grain farmers and which the government has maintained or expanded. There is the Farm Credit Corporation, the Farm Improvement Loans Act, accelerated depreciation on grain storage, removal of excise tax on manufactured grain bins, crop insurance, PFAA, PFRA, feed grain freight assistance, and so on. There is absolutely no question that the federal government is concerned about Prairie grain problems and has been taking meaningful action to provide assistance.

The government and Parliament have budgeted funds for a farm adjustment program. I hope this program will be announced soon and that it will make it possible for low-income farmers to get the assistance they need to attain viable units. Consideration should be given to better credit arrangements so that young, would-be farmers can get themselves established on an economic basis. Older low-income farmers should be assisted so that they can continue to live on their farms with security and a reasonable standard of living.

I again take this opportunity to impress upon the government the case for a much more satisfactory and equitable two-price system for wheat. Another cent or two on a loaf of bread added to the price the consumer pays would add \$1 or more per bushel to the price of wheat obtained by farmers. This would be only modest compensation from our high-priced domestic economy to assist grain farmers, most of whose products are sold on world markets in competition with heavily subsidized grain producers in other countries.

Before I conclude, Mr. Speaker, I would like to return briefly to the grain income stabilization proposal. I want to emphasize that this is not the cure-all for all our grain problems. Most of the current programs such as crop insurance, PFAA, interest free cash advances, international food aid, and so on, will be continued. The stabilization plan is not an insurance plan, a guaranteed income plan or a deficiency program. It is purely a stabilization