

The Address—Mr. E. G. McCullough

All is not well with the ship of state, despite what is indicated in the throne speech. I am sure that if we went from coast to coast and saw the problems facing Canadian people in the various sections of our country we would recognize that the whole Canadian economy is in a very serious situation. I am sure that would be so if we could experience the situation of the unemployed in the coal mines of Nova Scotia, the situation facing fishermen in the marketing of their fish, and the situation facing western farmers who have again produced food in abundance for Canadian people and a hungry world. If we could see some of those situations face to face in such a way that when coming into this house they would be fresh in our memory, I am sure we would go beyond the measures and legislation provided by the Liberal government.

This afternoon I wish to speak for three main purposes. First, I wish to bring to the attention of the house the desperate situation facing western farmers in regard to marketing and also the price squeeze in which we find ourselves; second, I wish to suggest proposals for rectifying that situation; and third, I wish to say something in a general way about our national economy.

Now, in comparison to the optimistic statement delivered to the house by the Minister of Trade and Commerce, I want to point out, Mr. Speaker, that the western farmer is in a price squeeze. We have seen, particularly during the last two years, costs of farm operations going up and up while the prices received by the farmer for the things he has to sell are going down. Contrary to the statement contained in the telegram from Mr. Marler, president of the Alberta federation of agriculture, to the Minister of Trade and Commerce, which the minister read in the house, and which statement indicated that no serious marketing problem exists in western Canada, I want to indicate by documenting my speech that a very serious situation does exist.

Just before coming here I travelled pretty well throughout my constituency, which is representative of Saskatchewan. The local merchants have extended credit to the limit of their resources. In many parts of Saskatchewan local merchants, storekeepers and machinery dealers have held meetings and as a result thereof have gone on a strictly cash basis simply because they have taken the brunt of the lackadaisical attitude of the federal government and its lack of policy in coming to grips with the marketing situation in the west. To a large extent they are bearing the brunt of the situation that has been created.

[Mr. McCullough (Moose Mountain.)

So far as the carrying on of the work of the local municipalities is concerned, taxes are not being paid to the municipalities simply because the farmers are not able to sell their grain and pay their taxes. As a result there is a debt situation on the local level which is making it very difficult for local governments to carry on and for municipal councils to provide the necessary services. That is a very important thing in any community.

I should like to deal with the quota system existing in western Canada which will indicate to some extent that there is no money in the farmers' pockets. The three-bushel quota and the maximum of 700 bushels to any farmer do not give the farmer adequate money to pay his running expenses and his taxes.

Mr. Howe (Port Arthur): Will my hon. friend accept a correction? He referred to a three-bushel quota with a maximum of 700 bushels. I am sure he meant a three-bushel quota with a minimum of 700 bushels.

Mr. McCullough (Moose Mountain): I accept what the minister has said but I want to indicate to the house how it works out in practice. While I, and I think all members of this group, favour a quota system operating under the wheat board, it is and can only be an expedient. When you cannot deliver your grain, as has been the case at many points in Saskatchewan, whether it is a three-bushel quota or a maximum of 700 bushels does not mean very much to the farmer if he cannot get his grain to the elevator. Here is the situation as it works out in practice. There may be an opening in a certain elevator and word goes out that there is an opportunity to market some wheat. Perhaps there is only a maximum of a carload of wheat. Any farmer who wants to take advantage of his quota must deliver his wheat in order to get some money to carry on. If his wheat happens to be high-grade wheat and other farmers delivering to meet the quota and fill the space in the elevator have lower-grade wheat, then the farmer with the high-grade wheat must take a downgrading on his wheat and lose money on it. Many farmers are in that position and have to take a lower grade for their wheat in order to market it.

Then of course there is the car order book system which was discontinued temporarily bringing about an injustice to farmers, in my opinion, who wanted to market their grain through the elevator of their choice. I am glad to note that Mr. Milner indicated to the wheat board on November 9 that as soon as possible there will be a return to the policy of