

*Grain*

in store at the Lakehead or Vancouver, of \$1.81317 for No. 1 Northern; \$1.78548 for No. 2 Northern, \$1.76283 for No. 3 Northern, \$1.71155 for No. 4 Northern and \$1.68181 for No. 5 Wheat. The prices realized on the Durum grades total \$1.92261 for No. 1 C.W. Amber Durum; \$1.90211 for No. 2 and \$1.87096 for No. 3.

**Mr. J. H. Horner (Crowfoot):** Mr. Speaker, as the minister announced, the government will make to farmers a final payment for their wheat. In effect, the government will be returning to our farmers their own money. I am sure that the minister's statement will be read with shock and dismay by farmers in western Canada. Our grain handling system was in a complete mess during this past year.

**Some hon. Members:** Hear, hear.

**Mr. Horner:** Now the government is to make a final payment which will represent a reduction to the farmers of 17 cents per bushel for wheat sales ending in July, 1968. We must compare these payments with previous payments which were at least 20 cents higher than the present payments are to be. In previous years final payments have been 37 to 38 cents and 48 to 49 cents greater per bushel.

The reduction of 17 cents a bushel has been brought about, despite the government's announcement previously of the interim selling price guarantee. It has been estimated that it would cost \$15 million to maintain even the interim selling price guarantee that was suggested. The minister shakes his head. We have seen no final figures. It seems that the \$15 million was in the estimates and is included in the over-all sum to be paid to farmers. Despite that, they will suffer a loss of 17 cents a bushel.

I ask the minister, have these reductions been brought about because of high demurrage charges on ships at Vancouver? We asked the government to pay these demurrage charges, because bad weather and other emergency situations prevented the movement of wheat to that port. The government refused that. Western farmers are now afraid that the government will not be able to maintain initial payments at \$1.70 a bushel. If there is to be a drop of 17 cents a bushel this year, even with the internal subsidy that has been applied, the farmers wonder whether the price may not drop, say, another 10 cents next year, because of no guarantee this year. They wonder what the initial payment for the coming year will be with respect to wheat. If

[Mr. Pepin.]

the mess of the past year in wheat handling is to continue into the coming year, there will be no guarantee as to what the initial asking price for wheat may be. We, on this side of the house, urge the government immediately to put back into force its interim selling price guarantee, because that guarantee is needed if the confidence of western farmers is to be maintained.

The lowering of the final price will work great hardships on our farmers who already have difficulty in meeting their financial obligations because of poor wheat sales, and low prices for the wheat that has been sold.

**Mr. A. P. Gleave (Saskatoon-Biggar):** Mr. Speaker, I thank the minister for sending us notice of his statement. I think the real significance of the statement is that it shows that the drop in gross income with respect to this one product of farmers for the last crop year was approximately 9 per cent. This is what the task force that has been meeting in the Chateau Laurier for the past three or four days is all about. This morning we have the actual figures before us. We have a situation in this economy where inflation is continuing, wage rates and profits are going up and the farmer's gross income, and inevitably his net income, is going down.

This government cannot fail to discharge its responsibility to the grain farmers and the farm sector of this country. It was this government which negotiated the GATT agreement under the Kennedy round. They also negotiated the International Grains Arrangement. When other signatories undercut the price, we held an umbrella over the price arrangements for many months in the last crop year.

A significant factor not mentioned in this statement is the drop in the volume of sales which has occurred as a result of negotiations with respect to this agreement. Surely the government can do no less than discharge its responsibility by immediately setting a floor price to the Canadian producer at the minimum.

The government should seriously consider the representations of farm organizations, the Canadian Federation of Agriculture and the National Farmers Union which made representations to it suggesting a floor price minimum of \$2.12 and stating the need of domestic prices for wheat. If we are to avoid domestic bankruptcy and real financial pressure in our farm economy, immediate steps must be taken in this field. This government cannot avoid taking the full responsibility which is