of Agriculture put some interesting figures on the record. Here I quote from the *Western Producer* of December 3, 1970:

> Mr. Olson said the federal government spends about 3.3 per cent of the total federal budget on agriculture—the Canada Department of Agriculture spending $281 million and other departments and agencies spending an additional $142 million ...
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> Admitting the difficulties of making exact comparisons, he said Canada spent about $350 per person employed in agriculture in 1968, and this compares with $675 in West Germany, $980 in France, $1,059 in Britain, $1,287 in the United States and $1,502 in Switzerland.

We are by far the lowest with respect to government expenditures per person engaged in the agricultural industry. One can wonder, why spend money on agriculture? Why can't the agricultural industry stand on its own feet? Why is the opposition against this measure to reduce the federal government's responsibility for the spending of money on agriculture? In some respects we must accept the consequences of inflation, like it or not. Germany is just finding this out now as a result of the effect of inflation on the United States dollar. Germany has had to free its Mark because its rate of inflation was less than that of the United States.

We had the same trouble in this country within the last couple of years. Even with our tighter money supply, we had inflation. The primary producer does not benefit one bit from inflation. Therefore, it is the duty of the federal government to make some concessions with regard to the primary producer. The federal and provincial governments have done this from time to time, but in its over-anxious rush to clean up the agricultural industry the present federal government is introducing a series of legislative items which will do nothing but hasten the withdrawal of the small scale farmer from the land. He will be driven into the cities where he will not be happy and where he will have difficulty adjusting. This is a wrong and backward step for the Canadian government to be taking at this time.

What does this bill propose to do, Mr. Speaker? First, it proposes to do away with the Temporary Wheat Reserves Act, which provides that the government will pay for all the costs of wheat placed in commercial storage over a total of 178 million bushels. The minister has suggested that this act has contributed to farmers growing more wheat than they should. He has said it is a contributing factor to the surplus in wheat. If that is so, why not change the provisions of the act so the federal government will pay all the commercial storage costs on the first 200 million bushels and the farmers will have to pay all the costs of storage on any amount above that figure? In that way there would be no incentive for the farmers to over-produce. Just reverse the present program, Mr. Speaker. Hon. members on the government side of the House are forever asking members on this side what we would do. That is one thing I would do immediately. Just reverse the provisions of the present act.

• (4:30 p.m.)

Second, the bill proposes that the losses on pool accounts for wheat, barley and oats would be recoverable from future surpluses in the stabilization fund. That is not a sound business practice and the minister should know better after all the difficulty he got into with the cash advance legislation. We warned him about that, and I am warning him now that this is not a sound business practice.

Let us suppose the government feels that corn blight is likely to reduce production in the United States with resulting high world prices. We, therefore, set a high initial price for barley but the United States solves the blight problem and there is a resultant surplus of feed grain in the world. Naturally, the price of barley will go down. Then, let us suppose that next year there is a loss from the sale of barley and that is carried over to the following year. After that experience who is going to grow barley? Supposing there is an average loss of ten cents per bushel on the pool, then who is going to grow barley and have that deducted from his production? The minister may say that we will pool all accounts, that the wheat, oats and barley accounts will be in the one pool so we won't know whether a loss is charged against barley, wheat or oats. This only suggests that the government is acknowledging my point, and is attempting to deviate from sound business principles.

If the government is going to set an initial price for feed grains and wheat, then it should take the responsibility for setting it high or low. The government knows the market and has the ability to seek out new customers by giving credit and making long term arrangements for repayment. No farm organization in western Canada has agreed with the principle that the losses on pool accounts should come out of the stabilization fund. It just is not sound business.

The other day the minister made a big thing out of being able to project the initial price for grain. It used to be that the initial price would be set after seeding, and sometimes before seeding, but the minister said he will set it on March 1 or March 15. Unless he accepts the responsibility for how high or low it is set, he is not being brave but only political. Is there anything else he could use to make more political hay? In his speech he also suggested that the government will spend $10 million for market research, for the development of new markets. What is that going to do? On October 29, when the minister issued the initial proposals he suggested:

> That the government make available up to $10 million annually in support of market development programs.
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> It is proposed that a part of the market development program be the establishment of a product research and development program which would aggressively pursue development of and processes by which Canadian content in both domestic and export foods and feed can be increased. It is proposed that this program not be limited to grains and oilseeds but that a special emphasis be given to this area initially.

One can say that the $10 million for research will soon be absorbed in a research establishment, but not necessarily searching out new markets. I think this is a wrong step. We know that universities all across Canada have received grants for the development of new products and the development of new marketing techniques for existing products. What does the minister mean when he says