

Prairie Grain Stabilization Act

philosophy of some people, but it certainly does not take into consideration the position put forward by the Prime Minister. The Prime Minister was referring to the net income of farmers in western Canada and the fact that their net return, the money they have left over after everything is paid, is much lower than the average in Canada and that a program should be worked out to take care of this situation.

We have other subsidization programs. The Minister of Agriculture (Mr. Olson) spoke today about another stabilization program. That program is certainly nothing to write home about, either. We talk about 80 per cent of the average price over a five-year period. If a commodity drops below 80 per cent, then the government subsidizes it up to that price. This is the difference. In all our other programs we subsidize up to a certain price, but in the arrangement that we have for grain we do not subsidize to a price but suggest that we subsidize to the gross sale value.

• (9:20 p.m.)

This means that volume will be the factor, because the domestic price is set by the government and the price for the bulk of our sales of wheat is set by international trade. On occasion sales may be slow on the international market, a market where demand need not be very great, where competition may be very tough and where subsidization is a factor in the price of other countries' products, so that we may not be able to unload any wheat, barley, oats or any of the other three commodities covered by this bill. In fact, it may be impossible for us to unload any grain unless we take a cut in the price.

If no Canadian cereal grains were being sold on the international market, this would cause serious economic difficulties for the country. Therefore we are often in a position where we are willing to take a cut in price. In that situation the farmer gets much less, and obviously as a result his net grain sale proceeds will be considerably lower even though total grain sales of the six designated commodities may be higher than in the previous year. Once grain is delivered to the Wheat Board and is in the system there is no way whereby the farmer can decide that he should not sell it at a given price on the international market. Through this Crown agency the country has a responsibility to dispose of the commodity at the best price it can obtain.

I am sure the government is not going to brag too much about the difficulties which to some extent it created for itself in its negotiations with the United States in an effort to arrive at an international wheat agreement. The United States authorities decided that they would sell their cereals at whatever price they could get. They started dumping their cereals throughout the world and Canada, being subservient in the economic field, found itself in the position of having to compete with bargain basement prices and had to cut its price. As a result, the farmers' income was cut. If we were still operating under an international wheat agreement—such an agreement over the years has been a stabilizing force in maintaining a regularized price for this commodity—it would be pos-

[Mr. Peters.]

sible for the government to carry large hold-overs of grain and not be compelled to sell at a time when the price was not right. Recently we made some export sales but I think the minister would be ashamed to stand up in this House and indicate the price at which those sales were made. We made them because we had to get the grain out of the system.

Last year we were faced with a \$79 million storage payment. Of course, farmers were compensated for that in their final payments, but the point to remember is that farmers are continually faced with factors over which they have no control. A farmer does not have control over a number of factors and these may not necessarily be the responsibility of the government. One factor over which he does not have any control is the weather. If he suffers partial destruction of a crop, then obviously his costs of production increase greatly and his net sales are reduced accordingly.

The government tried an experiment last year. It spent something like \$60 million to reduce the number of acres in wheat production. Its spokesmen went across the country proclaiming how wonderful was that program. But I think it is safe to say that when the individual farmer put his land into forage, then \$10 per acre that he received did not cover his costs. He still had to pay tractor costs, gasoline costs, labour costs and other fixed costs. In my opinion, for the past several years the government has been embarking on programs detrimental to the income of individual farmers. To stabilize a program that does not take this factor into consideration is totally unacceptable to the farm community.

Those of us in this party who for years have been interested in the farm population look at the matter from a totally different point of view. Many people are concerned about the industry. We feel that the key to the industry comprises the rural communities, the farmer and his family and we think these are much more important than introducing mechanized farm operations.

Obviously, this program is oriented to volume and not to price. Some five, six or seven years ago farmers were saying that if they could get \$2 a bushel for wheat they could make ends meet. I am sure that their costs of production have increased by 5 per cent or 10 per cent a year in the interim, comparable to the rising costs faced by all Canadians. Taking this fact into account, it is obvious that at least \$2 per bushel would be necessary to establish a stable income for farmers.

I do not believe the government will accept the amendment which we are proposing. The government is oriented entirely to the grain industry, just the same as it is oriented to the broiler industry and the hog industry. It does not give a damn about the individual farmer. If we go along with this approach, a lot of individual farmers will fall by the wayside. We are suggesting a fundamental change, but I am sure the government will not agree because it does not care about the farmers.

• (9:30 p.m.)

We have grouped two amendments for debate, Mr. Speaker, and I am never too sure about how to talk on