

*Grain—Deficiency Payments*

such as this country has never seen before. As proof of that I would say that we receive a lot of literature in the House of Commons. I hold in my hand a letter on Canadian livestock products from the meat packers council of Canada and I quote from it:

In Canada the increase in marketings in the first 20 weeks of this year over last was a little over seven per cent,—

This is in regard to hog production.

—with a 19 per cent gain in western Canada offsetting a 1½ per cent decrease in the east.

I know from personal experience that many of the farmers in western Canada are putting capital expenditures into the erection of buildings suitable for the production of hogs. If that takes place it will mean that they are going to be in the business for a long time. It will mean that they are going to try to take advantage of the guarantees given in Bill No. 237.

As hon. members know, the prices of wheat, oats and barley have been on the decline over the past several years. These grains have been under a rigid quota system which has brought about some semblance of equality of delivery to those engaged in that production, but it has also put a problem upon our elevator companies which receive and store grain before they are called upon for delivery by the Canadian wheat board. Each year we have seen our grain handling companies devote large sums of money to a building program to enable them to receive and hold that grain, and each year we have seen the problem of storage on the farms increase and increase. On an average size farm in western Canada of about 400 acres under cultivation the general practice of good farmers is to seed half to crop and to summerfallow the other half. That means that with 200 acres in crop, if you take an average yield of 18 bushels per acre, which is just about the average for the last 10 years, you have something like 3,600 bushels of grain on a farm of that size. Out of that you have to take dockage, make allowance for shrinkage and loss in storage and then provide seed for the next year's crop. I think that that requires roughly another 400 bushels. That would leave a farmer with 3,200 bushels of grain to sell.

All hon. members have heard of the ravages of rust and what it can do to reduce the grade of the crop. All hon. members know what frost can do when it affects any crop, whether it is grain in western Canada or in eastern Canada, and all hon. members know that under unfavourable harvesting conditions, whether the crop is wheat, soybeans, tobacco or any other crop, there is a deterioration in quality and a loss in price.

Usually in a year of poor harvesting conditions, grain in western Canada has gone into storage to deteriorate both before and after delivery to the elevators.

For instance, last fall rain resulted in mildew of much of the oats crop and as a result farmers were taking from 34 cents to 39 cents less per bushel for much of that crop. Under a system such as that I think it is fair to assume that a farmer gets little more than \$1 per bushel for wheat year after year in actual take-home pay and under our quota systems with 400 acres and a quota of five or six bushels, the maximum that he can deliver is roughly 2,400 bushels. There is an initial quota of 300 bushels, making a total of 2,700 bushels, or \$2,700. In addition to that, on a basis of the final payments this year, he can get perhaps another \$200 and that would make a total of \$2,900 before expenses and before the cost of living are taken into consideration. It is true that he still has 500 bushels in storage, but he has to provide storage facilities for that grain, just as he has to provide storage facilities for the other 2,700 bushels of grain that he has to carry from August 1 of one crop year until the end of the next crop year. In addition to this he must provide for paying taxes which are at an all-time high in this country. He must pay for insurance costs on buildings and on grain in storage, hail insurance, repairs to machinery, fuel and oil bills, chemicals and, in some cases, fertilizer as well as labour and all the other expenses that go into making a farm produce.

In the industrial areas of our country labour works for wages at so much an hour. From time to time we hear of limitations being set on the production levels of man hour work. Farm people have no choice but to pay those rates on everything that they buy that goes into the production plant on their farms. Farm people are entitled to returns—and I think every member from western Canada believes this—that will enable them to provide themselves and their families with returns over and above their ordinary operating expenses equal to that received by labour.

Since coming to this house and since coming to eastern Canada I have heard some people venture the opinion that 400 acres do not fully occupy a farmer during the year, and therefore he should not be expected to make a living on a 400 acre cultivated farm. I know from personal experience that it will require the full-time labour of a farmer from March to December to produce and to look after production on a 400 acre farm.