

Suggested Payment to Western Farmers

him that his time has expired. The hon. the Minister of Agriculture (Mr. Olson).

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am very happy that we have an opportunity to discuss some of the matters raised in the motion before the House this afternoon, as well as an opportunity to deal with some of the arguments made in relation to that motion.

I must agree that some very severe problems are associated with the decline in the gross receipts from any commodity, particularly when that commodity looms as large in our total agricultural economy as does grain. It is a fact that there has been a decline in receipts in the latest year for which full statistics are available, that being 1969-70, from some of the years in the recent past, particularly during the prior five years. That fact brings along with it some of the problems referred to by hon. members with respect to the amount of net farm income that these producers receive. Certainly, while there has been a decline in demand for these commodities in world markets, there has not been a corresponding decline in costs of production. I am the first to admit that this is the situation we have faced in the last two years or so.

Canada is not alone in this situation. I do not think that any member of this House will disagree that in dealing in an international market, where many countries have to compete in the price and volume associated with that market, comparisons with such countries are valid. As hon. members know, the crop year transcends the calendar year to some extent and as far as Canada is concerned between 1969 and 1970 gross cash receipts declined from \$4,192 million to \$4,166 million, or some \$26 million, a very small percentage. I acknowledge that there was a larger decline in the grains sector than in over-all agricultural commodity sales. In some sectors of the agricultural economy, there was actually an increase between 1969 and 1970.

As I said a moment ago, we need to draw comparisons. For example, Australia also has a very large interest in international markets as far as her grain production is concerned. I am sure hon. members present will agree that perhaps Australia is the country with the greatest relevance for Canada. Over 50 per cent and even as high as 75 per cent to 80 per cent of that country's grain production goes into the international market; that is about the same as Canada. We need to make these comparisons with countries having a relevant situation. In Australia, the total cash receipts for 1969-70 declined from \$1,050 million to \$890 million for 1970-71. What we are talking about here, of course, is a very difficult situation of over-supply in relation to the effective demand in the international grains market. Canada's farmers had some difficulty with that, but they were not alone.

I should like to move on to the next step which I think is important, Mr. Speaker. Certainly, a federal government such as we have in Canada has some responsibility to be helpful in that type of situation. In 1969-70 the federal treasury transferred into the grains economy \$66.3 million through the Temporary Wheat Reserves Act, about \$12 million under the Prairie Grain Advance

[Mr. Deputy Speaker.]

Payments Act—that was only for the payment of interest on this money—\$57 million under the Wheat Acreage Diversion Program, \$6 million for the payment of interest on credit sales, about \$73 million went into the purchase of food aid from this sector of our agricultural economy and \$1.1 million under the Prairie Farm Assistance Act for a total of about \$215 million during that year. Although some amount of this was paid in the first part of the year, I am not going to argue that this \$215 million fully compensates for the difference in the gross cash receipts that farmers received in years from 1963 to 1968. These years registered the highest in terms of total cash receipts that farmers ever received from the sale of grain. I think we have to agree that this went some distance in attempting to alleviate what was recognized as a very difficult situation for the farmers.

I hope my colleague, the hon. minister from Saskatoon-Humboldt, will intervene later in the debate and deal with some of the other specific programs that we have undertaken to relieve this situation. In the event that he is unable to participate, or that his time will be occupied in another very important agricultural debate taking place in one of the committees, I should like to point out briefly that since the end of the period for which these statistics are available there has been a marked improvement in the international situation as far as our volume is concerned. We expect that the export of all grains in the current crop year, and this started over ten months ago, will equal and indeed exceed the previous record of 685 million bushels established in the crop year 1963-64. For example, barley and rapeseed exports will reach an all-time record level and wheat exports will be the highest in history, excluding the three exceptional years from 1964 to 1967.

We have to take these things into account. We also have to consider whether the action of the Canadian government and the agencies involved in selling grain to the international market did, in fact, assist in improving the market. It could be argued pretty successfully that the Lift program and the reduction in Australia and the United States, led us to the present situation where the marketing prospects for this grain look substantially better. Whether it will be maintained for X number of years or months no one can tell, but that has been the history of the grains industry as far as Canada is concerned. We know very well that not only in the grains sector but in other agricultural commodities we now possess the production technology and land resources to overproduce almost any commodity we wish in a very short period of time. Indeed, Mr. Speaker, we can overproduce all commodities at the same time if we apply this production technology to all of them. Hopefully, future results will be considerably better than they have been in the past.

• (2:20 p.m.)

Since our time in this debate is limited, may I turn to a number of other matters. One of those matters other hon. members have referred to relates to the efficacy of the Canadian farmer. I agree, as I have said many times, that