

Prairie Grain Stabilization Act

I appreciate that the hon. member for Skeena (Mr. Howard) and the hon. member for Saskatoon-Biggar (Mr. Gleave) are sincere in their desire to attempt to change the format and try to propose a plan which in their minds would be of more benefit to the grain farmers of western Canada. They are concentrating their proposals on net receipts, the difference between costs of production and sales. The people involved, those who have worked for months and have endeavoured to plan this bill in such a way that it will be fair to all farmers as well as being workable, have decided that in the interests of a bill that is workable they should arrange the formula based on the sales or the receipts to farmers. The question arises with regard to formula.

I am sure everyone has read bulletin No. 5 issued with regard to the prairie grain stabilization program, wherein is very clearly outlined how the bill will operate and how the formula will work. I wonder if serious consideration has been given to the problem relating to costs of production. I am not concerned whether it is farm produce or any other type of production, such as automobiles. People who have operated a head office and branch plants understand that a formula of payment to the managers of the plants, suggested while meeting in convention, based entirely on the net average would not be well received because there are so many variables in this respect.

Farmers operating on a similar basis will show a different net profit. How can it be suggested that someone, somewhere is to be told that we in this House have decided that the net cost of producing a bushel of one type of grain is a certain figure? Farmers in various areas will say, "Oh, no, that is not the net cost of production. My cost is different; it is more than that. You have taken the wrong average." We then get into the question of management and all kinds of variables which control the costs of production.

I have found in the various plants with which I have been associated that bigness alone is not the answer. Often a big plant operating at the wrong plateau, where the unit costs are difficult to control, will have a lower net profit per unit than a smaller plant. We have found that bigness alone is not the answer. When we consider the possibility of working out a formula on net receipts, we must come to the conclusion that it is unworkable. It is a matter that will end up the subject of an arbitrary decision by somebody.

I am not sure that anyone in western Canada would like to declare to western farmers that he has the expertise to decide for them what are their net receipts. I suppose we might say we can get this information from each farmer. I wonder if the fund can afford the cost of the bureaucracy which would be required to analyse the various costs of production, in order to arrive at the net figure for each farmer.

Let us look at the other side of the question, the matter of sales. Under the Wheat Board, the sales per unit formula is more or less established. In fact, if the true intent of the Wheat Board is carried out by all the farmers involved, it is not too difficult to establish a unit receipt or unit price. There is also the fact that the grain is delivered to only a few places in the country. The required information will be easily available to those in charge. In my opinion this formula will be much simpler.

• (8:10 p.m.)

Then we come to the business of unnecessary pride. We shall find those who in their own minds decide they have a formula they would like to use. It might not be compatible with the formula which is established as required. So it would mean getting rid of unnecessary pride. I do not think we want to impose this on farmers. It appears to me that if we consider this matter in a serious vein, the plan as proposed is workable and is one which could eventually be accepted by all farmers in the west. The Palliser Wheat Growers Association, a well-known group of successful grain farmers, has said through its president, Mr. Walker Nelson, of Avonlea in the great province of Alberta, that the board of directors has decided publicly to support the controversial stabilization bill.

Mr. Horner: Avonlea is in Saskatchewan. Will the hon. member permit a question?

Mr. Pringle: Palliser, in my opinion, is in Alberta. I am sorry if the hon. member for Crowfoot (Mr. Horner) is objecting to my mentioning the great province of Alberta. I did so because I thought it would please him. I realize that the Palliser triangle is a large area.

Mr. Horner: On a point of order, the hon. member who has the floor mentioned me in the course of debate and I only corrected him to say that the Palliser Wheat Growers Association is mostly in the province of Saskatchewan. He referred to it as being in the province of Alberta. The president's home is in Saskatchewan. I just wanted him to be correct, that is all.

Mr. Pringle: I thank the hon. member. I happen to have spent most of the day with one of our big wheat and rapeseed farmers from Saskatchewan, a well-known citizen of Alberta, as a matter of fact. He is from Falcon, Alberta. He is a well known member of the Palliser triangle. I have been listening to him all day and perhaps I did not make the right statement geographically. I quote from the press release. Mr. Nelson said:

The Temporary Wheat Reserves Act placed the emphasis on storage of grain, rather than movement of it, and with the new government policy of keeping wheat stocks low, the TWRA loses much of its importance as a factor in farm income. Under the new act, the fund can be used to keep Canada competitive in world markets by using competitive pricing at all times, and placing more emphasis on moving grain rather than spending money on storage, which tended to subsidize the elevator companies.

We are now discussing the amendment to the amendment.

Mr. Horner: May I ask the hon. member a question? Would he read the whole of that news release put out by the Palliser association, from the first paragraph?

Mr. Pringle: I would be prepared to do so. I did not want to prolong the debate. I made requests of the same kind to the hon. member in committee, but he did not oblige me. I now quote from the press release issued by the Palliser Wheat Growers Association:

Mr. Lang, minister in charge of the Canadian Wheat Board, has assured us that fullest consideration would be given—

Mr. Horner: You are reading the third paragraph, not the first.