

Grain Payments

● (11:20 a.m.)

While, of course, many farmers will experience some temporary benefit from the program which has been announced, there is nothing in the statement nor in anything this government has suggested to show that the government has any real, long-range solutions to the problems affecting the people of western Canada. I say to the minister and to the government that what has been announced will not by itself prove an acceptable substitute for those things which must be done.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the minister's statement demonstrates the government's complete intellectual bankruptcy. After having bungled the whole question of Canadian wheat marketing, the best solution this government can offer is to pay the farmers for not producing wheat. This government has been in office for some seven years and has done nothing to adopt aggressive sales policies like those followed by our competitors in world markets.

Mr. Hees: And by the previous government.

Mr. Douglas: It has continued using an anachronistic grading system. When some of our competitors were adopting a grading system based on protein content, this government continued employing a grading system which is out of date. Furthermore, this government allowed itself to be manoeuvred into dropping the old International Wheat Agreement and into organizing the International Grains Arrangement under GATT which eliminated the Soviet Union, one of our competitors, and left it free to do whatever it liked in this field.

The government also allowed itself to be manoeuvred into permitting an 11-month hiatus between the end of the International Wheat Agreement and the beginning of the International Grains Arrangement. The result was that during that period many of our competitors sold below the minimum price and continued selling below the minimum price even after the International Grains Arrangement came into effect. Canada was pushed more and more out of the market and some of our competitors have been successful in selling wheat, whereas we have not been as successful.

The best the government can do now is the program outlined today. When millions of people in a hungry world go to bed hungry every night, I submit it is the height of

[Mr. Baldwin.]

insanity for a Liberal government to offer to pay farmers to take 22 million acres of land out of wheat production.

The minister's statement also represents a breach of faith with the wheat growers of western Canada. During the last election campaign the Prime Minister and some of his ministers said that the farmers could be sure that over a three-year period the government would be able to sell 1.3 billion bushels of wheat, an average of 433 million bushels yearly. On the basis of the price they were supposed to be guaranteed under the International Grains Arrangement, the farmers planted their wheat accordingly. The end result of all this is that the farmers have suffered a very drastic decline in their farm incomes in western Canada.

I notice that the National Farmers Union has sent the Prime Minister a bill for \$385 million which it says is the difference between what the Prime Minister and the Minister of Energy, Mines and Resources, who was then Minister of Agriculture, said the farmers would receive and what they actually received. The loss of \$385 million to the wheat producers of western Canada represents not only a disaster for them but a catastrophe for the whole western economy. And what is the government offering in exchange? It is not offering them a diversification program. Instead, by calculation and design it will prevent farmers switching over into the production of other crops or increasing their cattle and other livestock.

The government has now introduced an element of compulsion by basing the wheat deliveries in the crop year 1970-71 on how much land the farmer puts into either summerfallow or perennial forage crops. They are virtually preventing the farmers from going into diversification by insisting that if they want to sell the wheat they have on hand they should get out of production of coarse grains and wheat to the extent of 22 million acres.

The government is offering the farmers in compensation \$6 an acre for wheat land put into summerfallow and \$10 an acre for land put into perennial forage crops. I remind the House that the only other time acreage payments were paid for crop reduction was during the war. In 1941, when wheat was selling at the local elevator at 50 cents a bushel, the farmers were paid \$4 per acre. On that basis the government should be paying at least \$8 or \$10 an acre for land to be put