

*Wheat Acreage Reduction*

struck. Still, I got my senses back quickly enough when I recalled the trip made in the Prairies by the Committee on Agriculture and during which I realized just how urgent it was to solve that problem.

First, I thought that the statement made in the House last Friday was likely to eliminate part of the problem but, afterwards, I wondered whether this was really the ultimate solution. There are two questions: Is production going to be cut back, or are we going to be more competitive on agricultural markets, after studying them?

Here is what worries me most: if we cut down the acreage of productive land and boost fertilization by means of chemicals, we shall then be able to increase production. Production will then increase and even if the acreage is reduced, the productivity will be greater.

I would have preferred that a limit be set on the production per acre. The acreage can be reduced while its productivity is increased. Thus, a certain distinction can be made as to this problem and the purpose aimed at.

Mr. Speaker, I should not like to dwell on the subject before the House; nevertheless, I may say that the western farmers perhaps have not been ill-used as much as is being said, taking into account the present situation of the eastern provinces.

I have here the April-June 1969 issue of the quarterly agricultural statistical review, authorized by the Department of Industry, Trade and Commerce. On page 97, it says that the net income of the three western provinces increased 141 per cent from 1954 to 1968; in comparison, the net revenue of the Quebec farmers, for the same period, increased 14 per cent only. The western provinces, therefore, have not been that much forgotten in budget management.

I would not pretend that our farmers wish to live on subsidies. On the contrary, they are too proud, I believe, to depend on social welfare. We have efficient producers, as shown by the productivity percentage which I mentioned at the beginning.

What worries me is the future of the farmer in the eastern provinces in view of the policy to reduce subsidies. Last year, the cost of potash was increased, and that affected the cost of our farm products. The estimates informed us this year that the transportation subsidies for feed grain will be reduced by \$5 million.

We do not oppose the reduction of that subsidy, but we seriously wonder what it is good for. The province of Quebec is granted \$10 million for feed grain freight assistance, which benefits the western producer more than the eastern consumer.

• (11:20 p.m.)

I believe that if we accept a reduction of \$5 million in the feed grain transportation subsidy for shipments to the East, the minister will have to be asked to establish free trade between the provinces. In my view, the Canadian Wheat Board should perhaps deal with exports, but if trade is free, the transportation subsidy may not be necessary. But it shall be necessary that we have access to western grain and also that the Wheat Board make no distinction between East and West, as this contributes to an increase in the production costs of poultry, milk and eggs.

Mr. Speaker, such a policy worries me because our milk producers have invested millions of dollars in the construction of poultry-yards, pig sties and stables, and this policy will divide the country, thus preventing us from competing with western producers who will then be able to use their surplus of grain for pigs, eggs and poultry.

Then, you have the choice of two things: either take a smaller subsidy for the transportation of feed grain or set up a free grain market between the provinces.

Mr. Speaker, I do not want to spend too much time on the subject, but since we are faced with a double problem of wheat and milk surpluses, we have studied the policy of the Canadian Dairy Commission. We heard the representatives of 14 national associations in order to examine that policy which involved a production cut of 10 million pounds.

The new assistance program of \$100 million did not impress any of the members of the Committee on Agriculture, although we are not the least opposed to it.

I conclude my comments by pointing out that according to 1980 forecasts, meat consumption will increase by almost 50 per cent and poultry consumption by almost 75 per cent. In view of the policy to reduce transportation subsidies for feed grain, we will not be able to produce and meet competition, which will kill agriculture in eastern Canada.

[English]

Mr. John Burton (Regina East): Mr. Speaker, a rather feeble attempt was made earlier