

Supply—Agriculture

for that we intend to provide the opportunity at the next session of parliament of taking this further step.

I am not going into the question of deficiency payments. I dealt with that on the other occasion and I am not going to take the time of the committee to deal with it again. I pointed out that during the election campaign and prior thereto I had stated at no time that deficiency payments would be introduced. At no time did I directly or indirectly promise deficiency payments. What I said was that this was one of the suggestions made by the farmers that would receive the fullest and most sincere consideration. We gave it that consideration for weeks on end. We listened to the views of economists. We discussed the general situation in so far as international trade is concerned. I placed our reasons before the house when I mentioned the particular item of \$40 million. At that time I explained that deficiency payments applied to deliveries of grain would fail to help those producers most in need and would require very large subsidies from the federal treasury.

My friend the hon. member for Assiniboia talks about 10 per cent. What he is asking for apparently is \$400 million. If \$40 million is being given at this time by way of advance, is it 10 per cent?—

Mr. Harkness: Less than 10 per cent.

Mr. Diefenbaker: Yes, less than 10 per cent. Let us be reasonable. Does my hon. friend suggest that there should be made available at this time over \$400 million? That is the kind of argument that brought about the situation in which he and his party find themselves today. No farmer with whom I am familiar in the western provinces has been other than reasonable throughout the years. They have not asked for the impossible. They have requested a reasonable return. I speak for the large body of those in the western provinces who throughout the years have known that when I spoke to them I have represented the facts as they were.

The government made a careful study of this matter. The serious implications for our export trade have not been answered. The subject was conveniently neglected by hon. gentlemen who have spoken. Deficiency payments to producers will be classed as a producer subsidy and grain entering export trade may be liable to countervailing duties in certain countries.

When we tried to do something on behalf of the farmer by bringing in anti-dumping legislation my hon. friend the Leader of the Opposition said, "Of course I am for it, but we are against it". On both sides of the question in so far as GATT is concerned of

[Mr. Diefenbaker.]

which he spoke so eloquently, were we to enter into the scheme that is advocated in the form in which it is suggested we would find ourselves immediately in difficulties in our export trade.

Mr. Gour: You are out of order speaking about GATT.

Mr. Diefenbaker: In so far as our exports to the United States of oats and barley are concerned, as I said previously, close to 100 per cent of our export trade in oats is to the United States and one-quarter of our export trade in barley is to the United States. To bring into effect these payments on these two particular grains would result in action being taken against us which would be nothing but detrimental to the Canadian farmers as a whole.

We gave the fullest and most complete consideration to this question. I myself know something of the western farmer and his problems. I know it from those days long ago, the earliest days. I know the difficulties experienced by the farmers in those early days when we went on to land that was entirely virgin. I experienced those days and I know those difficulties. That is one of the reasons why the policies we have enunciated were designed in order to meet that condition.

We took steps at the last session in so far as cash advances are concerned and also under the Agricultural Stabilization Act. This session we took steps, as we have since we came into power, to meet the terrific competition that farmers are receiving through imports of agricultural products from other countries being dumped into the markets here to the detriment of Canadians. We have taken the necessary steps at this session. We took action with respect to rehabilitation through the South Saskatchewan river dam. In addition to that we made provision for an immediate situation. At the next session our further unfolding of the program that was enunciated will be carried out to the end that agriculture will be able to attain that position wherein a degree of fairness and justice will be assured not only to farmers in western Canada but to farmers generally throughout the country.

Mr. Rapp: Mr. Chairman, in rising to speak on these estimates I should like to say at the outset I am in full agreement with the principle of the motion to make payments to the western grain producers for which approval is sought in the estimates that are before us. I am grateful to the Prime Minister for introducing this legislation and to the ministers who were so instrumental in drafting a formula under which payments will