• (3:00 p.m.)

GOVERNMENT ORDERS

PRAIRIE GRAIN STABILIZATION ACT

PROVISION FOR PAYMENTS TO WESTERN CANADA PRODUCERS IN YEARS WHEN RECEIPTS BELOW FIVE-YEAR AVERAGE

The House resumed, from Friday, May 7, consideration of the motion of Mr. Lang that Bill C-244, respecting the stabilization of prairie grain proceeds and to repeal or amend certain related statutes be read the second time and referred to the Standing Committee on Agriculture.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, the other evening when we were debating this bill I suggested to the hon. member for Saskatoon-Humboldt (Mr. Lang), the minister in charge of the Wheat Board, that one reason the government could not charge a percentage of net income under this stabilization bill was that farmers had so little net income from the grains industry. It would not be practicable to do this.

I should like to suggest to the minister in respect of the threat to withhold $100 million in transitional payments from grain producers in order to get them to swallow Bill C-244, a universally unpopular scheme, that this represents money which rightfully belongs to the farmers now, and includes what they would normally receive this year under the Temporary Wheat Reserves Act. This $100 million is an overdue obligation. The sum has been arbitrarily fixed, according to the minister in charge of the Wheat Board, but it is related to the payment which farmers would normally receive under an agreement which is to be cancelled with the passage of this bill. If the bill should not pass, the Temporary Wheat Reserves Act would remain in effect and payments under the act would have to be made on July 31 this year. Farmers are being bribed by the threat of the withholding of money which is rightfully theirs. They are being bribed in order that they might swallow a long-term plan which every grain producer and producer organization in this country condemns as disastrous in its long-term results.

This is not a $100 million bonus. It is an overdue obligation that is owed to the prairie grain farmer. It is a reprehensible act for the government to seek to force passage of an unpopular long-range scheme by suggesting that the money will not be forthcoming unless the bill is passed. The government is under a clear obligation to pay it, stabilization act or no stabilization act. If a two-price system, long demanded by prairie farmers, had been in effect during the past two years when world prices were disastrously low, the farmers would have had an effective bulwark against inflationary costs and a stabilization scheme which made sense during periods of acute fluctuation. As representatives of the grain producers have argued, consumers in Canada have no right to eat cheap bread. If the consumer were to pay a price commensurate with the price paid for everything else in Canada, the price of wheat would be at least $1 a bushel higher than it is at present. Considering that we consume

between 50 million bushels and 60 million bushels a year, this would represent $50 million or $60 million which the Canadian consumer, not the Canadian taxpayer, would be paying for this wheat.

We would argue that this would be the proper course. Why should the Canadian consumer get cheap wheat? If the government suggests that it should provide cheap wheat, flour or bread for the Canadian consumers, then it has an obligation to pay the money to the Canadian farmers and has no right to make threats to withhold it. A statement of intent with regard to the stabilization bill came to my office this morning. It is put out by the Canadian Federation of Agriculture. I should like to quote one, two or three passages from it which I believe have some bearing on this subject. It also includes an expression of opinion of the farmers and farmers groups on this bill. I quote:

> It is clearly and unmistakably the federal government's responsibility to ensure that the special payment is made and made soon, while also ensuring that adequate opportunity is given for the consideration, modification and improvement of the long term proposals contained in the bill.

I would like to quote another passage from the Federation brief:

> It must be recognized that this bill is clearly designed to place definite limits on the federal obligation to support prairie income, even in the face of chronic income inadequacy.
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> It is also a policy which has a major objective the protection of the prairie and national economy—the businessman and the farm supplier—from the impact of sharp income fluctuations. It would be a great fallacy to view it as anything else.

In one of the recommendations at the end of this brief, the Federation has this to say:

> It is just not right that we should be the only, or virtually only, wheat producing nation that accepts world price levels as an adequate guide to prices that should fairly be paid in the market place by domestic consumers. It is a shocking fact that in the entire post-war period since the Second World War there has been essentially no increase in grain prices and therefore no increase whatever in the amount the farmers receive from flour and cereal products sold to the consumer. This must be corrected by substantial increases in the price received by the farmer for grain used for domestic human consumption. The impact on the consumer would in any case be very small. The great bulk of the cost of cereal products to the consumer is transportation, processing and distribution.

I submit that the price the farmer receives for wheat is clearly out of proportion to the price that consumers pay for anything else. Had it not been for farmers engaging in the most efficient possible production of cereal grains on the Prairies, the bulk of farmers would have gone bankrupt before now. When we look at the increase in costs which farmers face we can only wonder how they still exist. We have seen great modifications take place in farm communities because of the economic pressures placed upon them by low grain prices.

I would like to ask the minister which farm group advocated the changes indicated in the stabilization bill? Obviously, it was not the Federation of Agriculture, because in its brief it has just said as much. Did the National Farmers Union advocate some of the changes? Was it the Palliser Triangle group? Did the Wheat Board suggest these changes, or the Grain Exchange? Are we to