

*Economic Conditions in Rural Communities*

consideration of that sort. Anyone who does not examine the facts of life in this situation is missing the point, namely that the government is relieving itself of its responsibility to the farmers, it having allowed international arrangements or agreements on the pricing of wheat to break down and fall apart.

I do not think we can lay the whole blame for this at the door of the government. I think most of those who are close to the situation are aware that the United States did not particularly want another agreement with stated minimums; at least, that is the conclusion I draw. If it had wanted an agreement, we would not have had to renew the old International Wheat Agreement on two or three occasions previously, and then travel to Geneva and negotiate a new IGA that was as full of holes as a sieve.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** With an 11-month gap.

**Mr. Gleave:** Yes, a period when the market was wide open. So, I only lay partial blame at the door of the government. Under these circumstances, the government is telling the farmers: "Not only will you cut your cloth according to your purse, but we are going to do the tailoring after you have cut the cloth". This, in effect, is what the government is saying in the final paragraph on page 20 of its statement "If there is too much trouble", the government is saying to the farmers, "you can take it from there".

I do not know whether there was a little bit of kidding going on a year or two ago, but when the minister introduced the Lift program, he said Canadian farmers were going to reduce wheat acreage. He clearly implied that other countries were going to join us in reducing their acreage. Now, I don't know where they got their commitments from, but...

**Mr. Olson:** And did they not do so?

**Mr. Gleave:** No, they did not.

**Mr. Olson:** The hon. member should check his facts. That is absolutely wrong.

**Mr. Gleave:** If the minister thinks he has something then God bless him. Certainly, I hope he has a great deal more than he has shown. I hope the government has a couple of hole cards because it is certainly going to need them, and so are we. If the minister could say to this House that we are to reduce acreage and other nations are to reduce acreage also, then by clear implication we would be dealing with nations who, in the immediate future, would be prepared to meet us around a bargaining table and come to terms on price and quantity. There is no other implication one could draw, because what good is an acreage reduction program without a price factor since we would get the worst of both worlds. We would reduce our acreage and there would be no possibility of having maximum efficiency and production. For what? For a great big zero.

[Mr. Gleave.]

• (3:50 p.m.)

Let us have some elementary economics in the picture. This is where we stand. I say we are left with uncertain days ahead. I do not think we are faced with a disaster unless the government should continue to act with lack of determination to back up the farmer and give him some confidence. That is the critical factor in this area because the farmer cannot enter the international market on his own under the circumstances which he faces. He cannot expect to survive on his own because he does not have enough money in the kitty and, under these circumstances, whoever is marketing our grain must compete with the U.S. treasury, the European Economic Common Market, the Australians and other people in the market who are supported by government. That is the game. With a few exceptions, there are centralized selling and buying agencies in the major markets of the world, so we are in that kind of game.

A year ago barley, at the point where I deliver, was worth 64 cents a bushel. We said we would go into the market and sell the barley. Good enough; that is what we should have done. The government picked up some of the deficit. I do not know what will happen this year. There are people who know, but that is not the important thing. But how, with any conscience, in another year can we lower that initial price? We know we ought to increase it if the farmer is to continue to produce. If we do lower it, who will pick up the tab? The government obviously should. Yet in this paper which the minister has put out there is no mention of any commitment whatsoever to maintain an initial price which relates to the cost of production. That commitment is not there. Indeed, the responsible minister on more than one occasion has said that whatever is done must be done within certain limits. He is approaching this thing from the wrong end. The proper way to approach it is to see what is needed so that the farmers may operate as a unit and be competitive in the market. The proper thing to do is to ascertain what is necessary, see what we can afford and then tell the western Canadian farmer what is going to be done. I say that the Canadian farmer is just not buying this program.

**Mr. Olson:** Try to help sell it.

**Mr. Gleave:** Me help sell it! If the government would bring out a program that would help the farmer in Saskatchewan be viable, be able to use all the technology, his efficiency and know-how in order to stay in business, then I would support such a program.

**Mr. Olson:** That is what it is all about.

**Mr. Gleave:** When that kind of program is put on the table, I will support it. However, I do not intend to support a program that is designed basically to get the government in the position of putting a minimum amount in the pot so that it can sit back and say: Don't bother coming back to us again; you have all you are going to get.