

and his government also understand those problems, then will they please supply some answers and some solutions?

The minister talked about marketing. He said the entire problem which exists in the red meat industry can be related to marketing. He said these producers are those people who, to use a government expression, are in the most dire straits.

● (1630)

Mr. Speaker, coming from a grain producing area, I would like to give the minister a small lesson in economics. I will give him some statistics showing what part grain plays in my particular part of Saskatchewan and, indeed, the western part of Canada as well as Ontario and Quebec. The dominant crops on the prairies are grains and oilseeds. In Saskatchewan, grain and oilseeds account for 74 per cent of cash receipts, cattle accounts for 18 per cent and other crops account for the balance. In 1980, of the \$3.2 billion in Saskatchewan farm receipts, wheat accounted for 60 per cent, barley for 5 per cent, rapeseed for 7 per cent, cattle for 18 per cent and others were 10 per cent. Barley and wheat, a total of 65 per cent, was under the authority of a central marketing agency.

The central marketing agency the minister talks about for the red meat producers is not the answer. We have had the central marketing agency in the wheat industry, the Canadian Wheat Board, since 1935 when it was established by the Progressive Conservative government. In my opinion, the only thing wrong with the Canadian Wheat Board is that our party has not been in government long enough to make it operate properly.

Using the Canadian Wheat Board as an example, any producer-controlled agency or producer central selling desk should have leadership by someone who is at least as capable as those he represents. Anyone who is at all familiar with the Minister of State in the other place and his past experience knows he is not a representative of the producers. He is not as capable as the people he says he represents and that is the problem we are faced with in that central selling agency.

Turning to Saskatchewan agriculture, after the strike at Thunder Bay the Minister of State for the Canadian Wheat Board issued a press release in which he said:

Producers, grain handlers and members of the elevator association have all emerged winners at the end of this disruption of the grain handling system.

The Minister of State went on to say:

—no sales were lost nor were any contracts cancelled as a result of the strike and the union has indicated it feels it can make up for lost time.

Somebody lost. I know it was not the government that lost. I know that the union workers lost because they were on strike. I know that the sales target of 26 million tonnes which has been set by the Canadian Wheat Board will be behind. We will not make 26 million tonnes this year, even with the best efforts of all parties. That is another matter which we will discuss on another day.

However, this is the type of leadership that has been given to the people of Saskatchewan who have contributed 65 per cent of the \$3.2 billion in farm sales. As of today, we in

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Saskatchewan finally had a six-bushel quota. Up until this time last week we were at three bushels per acre. That is \$12 an acre which the farmer has been able to sell when the input costs are closer to \$40. This is the reason the people in my part of the country are in severe financial difficulty.

The minister says that a marketing board is the answer for the red meat industry. It may well be the answer to something like the poultry industry, where there is a ten-week cycle, but the red meat industry cannot pile up sides of beef in a granary.

Mr. Whelan: I know you can't.

Mr. McKnight: Mr. Speaker, the minister says he knows we cannot, so why does he insist on saying the only problem in the red meat industry is the marketing process?

We have problems in the grain industry in western Canada which has had a central selling desk since 1935. The problem we have there is the same problem we have in the red meat industry, namely, lack of leadership on behalf of the government.

The minister does not have to criticize the banks. The producers will do that themselves if they feel they are being taken advantage of. I have yet to receive one letter from a producer which says that he has been harshly treated by the bank because of his inability to pay. A producer may well say: "I know I have a legal contract and the bank has assisted me over the last 12 or 18 months to try to recover, but I do not want to see my farming business go. I had a legal contract and the only place I could borrow money was at the bank. The Farm Credit Corporation did not have any funds."

This government will not move to let the Small Business Development Bond work for unincorporated farmers. It will not move to let the operating loans that producers have fall under the Small Business Development Bond. This government and its supporters in the New Democratic Party voted against the Small Business Development Bond in that part of the Crosbie budget, yet they brought it back in. However, they only brought it half way. We have wondered why the banks are the only people who can lend money and not have to pay tax on the interest accrued, as with the Small Business Development Bond. We have made suggestions to the minister and to the government that there is absolutely no reason why the Farm Credit Corporation could not be funded by individuals investing money in the Farm Credit Corporation without having to pay tax to Revenue Canada when they withdraw their income from it, as the banks do. The minister could get all the money he needed for the Farm Credit Corporation if he treated the individuals who put their money into RRSPs or home ownership or just saved money in the same way as the banks that he criticizes and blames. Why cannot this be done by individuals in the Farm Credit Corporation, Canada Mortgage and Housing Corporation, small business development, all these areas which are hard hit by the high interest rate policy of this government? If the minister would allow these individuals to invest in a central lending agency without being subject to taxation when they collect their money, you would have all the money you need.