

Withholding of Grain Payments

recently to discuss the implications of the United States surtax against imports entering that country.

He said many businessmen expressed concern about the profit squeeze and its effect on the Canadian economy—

Many of the businessmen talked about the profit squeeze that is evident and that this is forcing. So I took the opportunity to talk about a profit squeeze that some 400,000 individual farm units have been experiencing for several years and that if the American action in fact has a net effect of putting more pressure on the revenues that farmers receive, it could be the straw that breaks the camels back. It is a serious situation and anything that removes a dollar of income from a farm in Canada, has serious consequences when the situation is so tender to start with.

In bringing my remarks to a close, I want to put a few observations on the record as to what that infamous brainchild of the minister responsible for the Wheat Board, the brainchild known as the Lift program, did to the lagging western economy. Here was a minister who was quite inexperienced. The hon. member for Calgary North pointed out that in 1968 the minister was without any government experience at all. He took this brainchild, which possibly had been developed by bureaucrats in Ottawa, and implemented it or forced it, through a system of coercion, discrimination and almost blackmail, on the western farmer. If the western farmer did not accept this proposition he lost the quota, in other words, the right to sell grain.

• (11:10 p.m.)

Let us consider the facts in this regard. They are on record. In announcing his policy to the House, the minister said that approximately \$140 million would be injected into the western economy. When he took another look at it he cut that estimate down to approximately \$100 million. After the program had been in effect for part of the year, and before the House opened last October, he stated that in all probability the Lift program would inject about \$80 million into the farm economy.

When the figure of the final net payment under the Lift program was released it was \$57 million or \$58 million. Let us compare that with the amount we lost in gross farm income which could have been utilized by the farmer had he stayed in production. The figures indicate that approximately 12 million acres were taken out of wheat production a year ago this past crop year. The fact is that it was put into summerfallow which has the highest productivity and an average estimate of 30 bushels per acre of production, which amounts to 360 million bushels of wheat. Taking the very modest figure of the average of the last crop year, which I think is correct within a cent or two, we sold our grain to world markets at \$1.37½. Multiplying 360 million bushels of grain we did not grow on 12 million acres by \$1.37½ we come up with a figure of half a billion dollars worth of wheat we did not grow.

Compare that potential income which the farmer would have received from the productivity of the 12 million acres to the \$57 million he received, you can see how the farmers in western Canada have been in a declining net or gross income position. It was the most negative program ever imposed on western Canada in

[Mr. Southam.]

history. Even if the grain was not sold, the farmers could have taken advantage of the Conservative legislation put on the books years ago and carried on by the present government, which we insisted they maintain and increase, and got along with the cash advance. Instead, he received a mere \$6 for each acre he took out of production. It did not cover the cost of the gas, oil and wear and tear on his machinery.

This is an example of the mismanagement, the staggering from pillar to post and incompetence of this government as far as western agriculture is concerned. This is why we are having this emergency debate about the government's failure to pay the money owing to the farmers under the Temporary Wheat Reserves Act. This \$89 million should have been paid when it became due.

In conclusion, I implore the government to abide by the laws of this land and pay the farmers of western Canada the \$89 million owing to them in order to give some semblance of honesty and maintain the democratic principles this House and the people of Canada deserve.

Some hon. Members: Hear, hear.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I will try to be brief. We are supposed to be debating an issue that is specific and important. I believe that it is a very important issue. I notice that the attendance on the other side of the House has now increased by 150 per cent. For a long time there were only two members opposite, and there are now five members on that side.

Mr. Mahoney: Where is the mover of the motion?

Mr. Nystrom: I have two concerns about the issue we are debating. First and foremost is a legal concern about whether the government should have the right to avoid making the payments under the Temporary Wheat Reserves Act. My second is an economic concern. I will try to be brief on the second point as we have all gone over the situation many times.

The Temporary Wheat Reserves Act was passed by this Parliament in 1956. It is the law of Canada. It is still on the statute books as the law of this country. The government has made no payments to the Wheat Board under this act for the year 1970-71 and for the first portion of this year. That, in a nutshell, is what this debate is all about.

Does the government unilaterally in a dictatorial way have the right to disregard the law of Canada and the law of this Parliament? They got themselves in a bind by introducing the stabilization bill, C-244. One of the clauses in that bill will remove the Temporary Wheat Reserves Act from the Statutes of Canada. The minister in charge of the wheat board is anticipating that Parliament will pass Bill C-244. Once that bill is passed, the Temporary Wheat Reserves Act is rescinded, but that act has not as yet been rescinded. The minister is very presumptuous. I know that the leader of the government party is a very autocratic and presumptuous man, but I hope that the minister in charge of the wheat board is not quite so presumptuous.