

Prairie Grain Advance Payments Act

siderable influence on the lives of all Canadians whether they live in the country or in the city.

• (3:30 p.m.)

It appears to me that if you look around the House today and see how few members representing other parts of Canada are in their seats to listen to what is happening in the rural areas of Canada, the words of the Canadian Council of Rural Development ring very true. It appears to me, Mr. Speaker, that too many hon. members of this House fail to realize that from 50 per cent to 52 per cent of Canadians are directly or indirectly connected with the agricultural industry. When we see a bill of this nature before us to amend the Prairie Grain Advance Payments Act, in effect it means that the government has not looked after the basic agricultural economy of the country, because if it had it would not be necessary for it to introduce such a bill.

I suggest that the government takes a cold, heartless approach to the whole agricultural economy. I believe that the agricultural economy must be helped by a government that cares, thus removing the necessity for introducing bills of this kind. In former years it was always the case that farmers formed a major part of our nation that was self-reliant. Farmers and fishermen combined formed one of the basic ingredients that went into making up our nation and in most cases they were self-reliant people. Now, when we see bills of this nature introduced we can only believe that self-reliance has become a vague, political term and the government does not really care whether the agricultural economy is self-reliant. It used to be the case that the vast majority of our people—this was true of thousands and thousands of farmers—could consider themselves to be very independent. Now the government has to bring in measures such as this to offset the errors it has made in planning the economy. Its planning has attached government strings to many sectors of the economy and the result has not been good.

I believe that the majority of Canadian agricultural producers would not wish to have this legislation if they could do without it. They would rather be paid a fair return on their investment and not have to rely on an advance payment in order to continue in the agricultural industry. In this connection I wish to quote from an article which appeared in the *Moose Jaw Times-Herald* on February 13, 1969, because it bears directly on the Prairie Grain Advance Payments Act:

Saskatchewan farmers are getting four cents more per bushel than it costs them to produce the wheat, a regional short course on the economics of farming was told Wednesday.

J. F. Hickie of the provincial farm management bureau said that current price is \$1.67 a bushel—

This was in February, 1969.

—including an estimated final payment of 19 cents a bushel compared with production cost of \$1.63 a bushel.

He said the cash cost of producing wheat is \$7.50 per acre with \$2.80 per acre depreciation of equipment and \$4.70 per acre labour return.

Added to these costs is the investment cost of \$6.40 per acre which made \$21.50 per acre for production. The investment cost

[Mr. Skoberg.]

is a book entry which shows what the farmer could make if he invested money at 6 per cent interest instead of putting it into the production of wheat.

With an average of 60 per cent of cultivated acreage seeded, production cost of wheat is \$35.63 per acre which, with a yield of 22 bushels per acre, worked out to \$1.63 or just 4 cents less than current prices—

However, when evaluating current value of grain, it isn't even worth that much because of the market situation which results in some wheat not being sold for several years.

I relate those remarks by Mr. Hickie to the legislation now before us, because in the past Prairie farmers have always been self-reliant but now they are in a position where even those with the most efficient means of production have to admit they are not completely self-reliant and must depend on prairie grain advance payments. When farmers have to repay these advances they get themselves deeper into trouble because their costs are constantly rising and they cannot themselves keep up with the ever-rising cost of living.

Last November, in one of the areas that I visited I spoke to a hardware merchant who told me that it was the worst month in the history of his business. Despite all the big talk by Members of Parliament from central Canada about how much was being given in assistance to the agricultural economy, this merchant told me that November was his worst month ever. At that point, Mr. Speaker, some of the cash advances already had been paid and grain was moving into elevators, but despite that farmers could not pay this merchant for the credit they had obtained from him. That is a typical illustration that the government is really not concerned about the situation which exists in the rural areas of Canada, whether in the east, in central Canada or on the Prairies. The majority of members of this House represent 80 per cent of the large, urban centres in our country. I plead with them to give ample consideration to the rural areas.

When we look at this legislation, Mr. Speaker, we have to admit that the original act did help farmers in many areas when they needed assistance in times of stress. At the same time, I agree with hon. members who preceded me in this debate and said we must ascertain whether any attempt has been made by the government to keep up with changing marketing conditions which have been met and overcome by other trading countries. I am sure the minister is well aware of the fact that the President of the United States recently said he was going to pour more millions of dollars into that country's agricultural economy to make sure that the farmers, who are the backbone of the nation, realize a fair return on their investment. The time has come for our government to accept the fact that it, too, has an obligation and cannot rely just on bills like this which by their very nature show that the government is trying to evade its responsibility to make this a great trading country.

We must have good grain selling missions abroad. Farmers in the United States are not in need of legislation like this which provides a petty amount in cash advances which in the long run do not do the agricultural industry any good. The United States has always had a large number of concessional sales. I am pleased to note