

*Prairie Grain Stabilization Act*

This is precisely what we say. In amendment No. 1 we find these words:

—"and after the deduction of the increased costs of production, and including stabilization payments, if any;"

The amendment contains the words "including stabilization payments", which refer to the payments farmers would have to make under this 2 per cent deduction.

The budget contains a provision in respect of companies manufacturing television sets and like appliances. These companies had complained bitterly over the last few months that they were in difficulty. We did not tell them to give us 2 per cent of their gross and that we would throw in 4 per cent in order to get them on wheels. Not at all. In the budget we said we will remove the excise tax. We did not tell them that by some means or other they would survive some day, that they should go and find an export market and compete with the subsidized industries of other countries. That is what we are saying to the farmers. One of the briefs refers to a price of \$1.90 for wheat and the bill says that farmers can meet this competition on their own.

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the hon. member, but I must do so to advise him that his time has expired.

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I wish to add my support to the mover of this amendment. I feel that perhaps of all the amendments before the House at the report stage, this one should receive most attention because it relates to what is perhaps the crux of the bill, although this opinion may not coincide with that of some hon. members.

I am very conscious of the cost of production factor. That factor is not included in this so-called stabilization bill.

When participating in this debate previously I said that I believed the principle inherent in the bill, which this amendment seeks to change, is that the income of farmers will be stabilized at the poverty level. I say "poverty level" because no union in this country has ever bargained with management on the ground that wages should be maintained on the basis of the previous five years. Every union which makes representations to management, and every management which seeks to improve its position by way of pricing or efficiency always has a forward look. This is the only bill, in this case pertaining to grain producers, where we take a backward look. We look back as though the cost of production does not apply to producers of grain and as though inflation does not apply to them. They, somehow, are expected to pull a rabbit out of the hat and keep producing in an industry which brings in a great deal of foreign capital to this country while a backward look is being taken so far as pricing is concerned.

● (9:00 p.m.)

In the over-all deduction factor which the government suggests will apply to the producer the 2 per cent works out to a much higher figure. The previous speaker said that the 2 per cent might be considered on the basis of 8

[Mr. Gleave.]

per cent of net income. Up until now the government had suggested that 4 per cent would represent 16 per cent of net income, and that may be applicable. This only applies from the year 1934 until 1950 and from then it would not apply. The argument that 16 per cent is applicable would be invalid for those 16 years. One must wait 16 years before it is valid.

Not only is the cost of production going to increase, not only is inflation going to affect the producer but this plan has been formulated in an attempt by the government to sell the producer on one thing. I have in mind the suggestion from the other side of the House that \$100 million will be put into the hands of producers before any other demands are made. This suggestion does not appeal to me. It does not satisfy the immediate need of farmers to meet continuing increases in the cost of production.

This amendment takes squarely into consideration the problems facing producers. It is based on life in our rural areas as it now is. It considers these factors on the basis of reality. If the plan is deficient in that regard, it is incumbent upon the committee which studied the situation to introduce an amendment. We have had representations from across Canada in the form of letters which indicate a need for extra help in dealing with this difficulty. Many producers have looked at the bill and wondered whether it is acceptable. They have decided these proposals are not sufficient to meet their requirements. They will not be induced to accept a plan which may have immediate salvation through an immediate injection of money in the economy, because they realize the government is taking money from one pocket and putting it into another. They know that the only advantage to be gained has political overtones and that when pressures are brought to bear something else will come forward.

We now have an opportunity to improve the bill. This can be done by acceptance of the amendment before us. The amendment has been considered by the committee and the House. The imperfections of the bill have been weighed and a sincere attempt has been made to place the agricultural industry in the same position as other industries. No industry can survive on the basis of past performance. Industries must seek out new markets in order to increase their income. People in industry know that labour and production costs increase. How can industry be expected to survive in view of our tax situation? In face of all the competition which exists, surely the government does not expect the agricultural industry to accept that this is a stabilization program. It does not take very much of a mathematician or one experienced in farming to understand this.

In all the years I have been farming I have attempted to increase efficiency of production to the point where I have been working around the clock, using every method available to reach that goal. I imagine every other producer has done the same. There is no way my farming operation or any other can survive if farmers must continue to obtain income stabilization on the basis of 15 or 20 years' farming, keeping in mind the farm economy of 20 years ago. No workingman could be expected to survive under these conditions. No pensioner in this