

*Prairie Grain Stabilization Act*

authoritarian outlook on the part of the minister. The minister has the attitude that he, and only he, knows best. This reminds me of those spoiled children who say, if you don't play the game my way I will run home to my mommy and cry. This attitude is possibly exemplified by the other saying, I will go home and take my bat and ball with me. If the minister went back to his law school, many western farmers would be better off.

This plan is a permanent one and has far reaching implications. The minister does a disservice to western agriculture when he tries to blackmail Parliament into approving this bill because of the transitional payments. The \$100 million in transitional payments provided in the bill are urgently required. They should be higher. I will deal with this later in my remarks. This is the reason my colleague, the hon. member for Saskatoon-Biggar (Mr. Gleave), moved an amendment earlier this week. The amendment was ruled out of order by Your Honour. I do not propose to take issue with that ruling. I simply want to point out that the motivation behind the amendment was to try to find a way of getting this money into the hands of the farmers quickly, and to allow time for adequate consideration of a permanent piece of legislation.

We have to relate our consideration to what is happening at the present time to the agricultural economy. Farm income in Canada has dropped at a disastrous rate. The income for 1970 was \$1,198 million or 23.9 per cent lower than the 1969 figure of \$1,595 million. The 1970 income was approximately 30 per cent lower than the 1968 figure of \$1,714 million. 1970 net farm income in Saskatchewan was \$202.7 million, a drop of almost 50 per cent from the 1969 figure of \$402.9 million and a drop of over 55 per cent from the 1968 figure of \$462.3 million. The transitional payment of \$100 million provided in Bill C-244 only represents one third of the drop in farm net income in the Prairie provinces from 1969 to 1970. In one year, Prairie farm income dropped by \$296 million. In Manitoba, it dropped by \$39 million; in Saskatchewan, \$200 million and in Alberta, \$57 million.

The plan before us is based on gross cash receipts. Every farmer knows that these do not count for much. The farmers are handling a great deal more cash today than 10 or 20 years ago and, in some cases, five years ago. What does count is what the farmer has left after he has finished paying his expenses and other costs. The plan before us, based on gross cash receipts, bears no relationship to farm net income. A plan related to farm net income would take account of the rising costs of production. We can expect that these costs will continue to rise. This fact has been demonstrated by some indicators announced this week.

I do not know whether we can expect any firm action by the government to reverse this trend or bring it to a halt. One example I can cite is the lack of action on farm machinery prices as a result of the Barber commission report. This bill goes as far as charging wheat board deficits against the fund. It should be fairly obvious to all hon. members that when the board or the government makes a miscalculation in its initial payments, and this

[Mr. Burton.]

could conceivably happen in an election year, it is the farmer who will pay the shot. In the long run, the farmer will pay for the mistake out of moneys that should be available to him.

What we have in the plan before us is part and parcel of the philosophy of the task force on agriculture. The basic approach of the task force on agriculture was to get the government out of agriculture and out of its commitments, particularly its financial commitments to the agricultural sector of our society. Such an approach and philosophy ignore the realities in the world today. The government is now accepting the philosophy of the task force. On the basis of its actions, one is forced to conclude that the government is writing off agriculture in Canada. We should take note of the consequences of these actions, because what we are witnessing today is the destruction of our rural society. There is no question about the fact that rural society has to change. The rural economy must change and adjust to keep abreast of changing times and conditions.

We are witnessing the destruction of our rural society and economy. What is the government doing about it? It has come up with this plan which means a far lesser commitment to agriculture by the federal government than what it has done to now. I suggest that when the government speaks piously about wanting to do something for rural Canada, action speaks louder than words.

Let us examine what has already happened. The present government abandoned farmers to the mercy of the world grain markets through the process of the International Grains Arrangement and the International Wheat Agreement negotiations. The government is now repealing the Temporary Wheat Reserves Act which meant an average of approximately \$40 million per year for the farmers over the past 15 or 16 years.

We should compare the plan presented to Parliament in Bill C-244 with the recommendations of the task force on agriculture. I do not intend to go into this in detail, but it is important to note two fundamental differences in the plan before us in this bill and the plan proposed by the task force on agriculture. The task force on agriculture presented its own ideas and recommendations. I want to make it clear that I do not necessarily hold a brief for the recommendations of the task force on agriculture. However, they pointed out some factors that should have been given greater consideration by the government in making its decisions. I quote from page 119 of the task force report:

The Task Force believes that the marketing of the grain must be separated from the general income issues of Prairie agriculture if a highly competitive system of grain marketing is to be developed.

This statement has a good deal of validity when dealing with the world marketing situation as it exists today. The plan presented to us by the government fails to adequately separate the marketing component of the situation from the income component, certainly with respect to gross cash receipts.

What are the two factors involved in gross cash receipts? One is the actual physical volume of grain which