

out too much money, from having to take too much responsibility, from embarking on too large a commitment to the farming and rural community of western Canada.

The government is now bringing forward two major measures which will affect the direction and destiny of agriculture in Canada generally, and grain production in the west in particular. One is the marketing bill, Bill C-176, and the other is the grains policy white paper or proposals to which I have referred. We need to examine these policies but we also need to assess the situation they propose to deal with. While the Prime Minister and the other ministers were in Saskatoon, the provincial treasurer of Saskatchewan, under a Liberal government, was releasing a white paper on the subject of the economy of that province. It said, among other things, that the average Saskatchewan farmer owed the Wheat Board between \$1,070 and \$1,250. This means that farmers, in addition to living off their depreciation, have been selling their grain ahead of time because they did not have sufficient funds, and are now trying to pay this money back. If hon. members want to bring a statement of this kind on to an individual level, let them talk to a man who lives on a good farm and is unable to pay his taxes in full because he is determined that his son, who is at a university, should stay there.

The white paper said realized net income would show a decrease as compared with 1969. It blames the decline on lower production due to a reduction of seeded acreage under the federal government's Lift program, and a minimal final payment on wheat, oats and barley sold in previous years. It put the blame where it belongs. The provincial white paper goes on to say that grain delivery was approximately 40 per cent higher in 1970 than in the previous year but that receipts from the sale of grain were only 22.6 per cent higher as a result of lower final payments and lower unit prices.

These are the circumstances with which the government's proposals purport to deal. As I say, I am convinced they are intended not so much to deal with the situation which is so well described as to ensure that the government does not become too deeply involved at a time when the country finds itself in a fairly serious situation. The object is to limit government involvement. These government proposals are not based on the need to increase or even to maintain income but, as the paper says, on stabilization of income. This means stabilization of income equal to the coverage of the previous five years, not on the farmer's cost of production. The government ignores the need to correct the situation; instead it bases its proposals on a previous five-year period, the record of which has not been all that good, namely a five-year average and an initial price which can only be related to international market terms.

● (3:40 p.m.)

During the question period today, I asked the minister what his reaction was to this statement made by the Canadian Federation of Agriculture:

—we must on this occasion stress as strongly as we can that the government grains receipts and stabilization proposals—which clearly will be on all our minds as we meet here today—do

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not represent an adequate undertaking by the federal government to assist and protect the position of prairie grain producers. They do not represent a sufficient acceptance of responsibility by the government, on behalf of the Canadian public and in the national interest, to share the costs of maintaining this vital industry in the face of widespread, highly subsidized international competition, violent swings in market and price conditions and intense competitive pressures.

In the submission of the National Farmers Union which was presented to the federal government at Saskatoon there is this statement:

Secondly, while producers contribute to the program as individuals, stabilization payments are determined on the amount of the industry-wide aggregate short-fall or gross income from grain sales. Consequently, there is no guarantee of individuals income needs being, in fact, stabilized in times of greatest need. What is required is a larger allocation of funds from the federal treasury to provide the comprehensive program required. Indications are the minister in charge of this program is hamstrung by the conventional wisdom the government is employing in its approach to this important problem. We, therefore, request government re-examine its position on this matter.

I noted with some interest that one of the ministers of the Crown said in Regina it was too bad that the farm organizations could not agree on their approach to the government. I have referred to the agreement and also to the similar stand taken by the two farm organizations that are most representative of farmers in that particular area, and they express their reaction. They have good cause to take the position they do.

As I have said, Mr. Speaker, the total program must be examined in terms of the existing situation. The situation is that last week the minister in charge of the Wheat Board had to inform hon. members that all attempts to reach a real agreement on the international marketing of what had failed and that the negotiations for an international wheat agreement had come to a standstill. In other words, the government are well aware that we are now entering into a period of absolutely cut-throat competition overseas. We may or may not be able to continue to negotiate an agreement to hold the line on prices with other governments. As a result, for the first time in many years the farmers will be taking the full brunt of savage competition in export markets.

What does the government propose to do to meet this situation? It has brought in a proposal under the grain stabilization program that would largely relieve the government of the responsibility of supporting the wheat farmer in the export market. I say this in view of the fact that initial prices of wheat to date have been tied to the International Wheat Agreement. These initial prices are established each year and reflect two factors: firstly, the level of the minimums reached in the international wheat agreements or secondly, the production costs within the economy.

The government has announced that it has a stabilization program that is going to follow the pattern of the previous five years. Initial prices are going to be set at the beginning of each crop year. However, the government carefully refrains from announcing that those initial prices are going to be set in accordance with the needs of the farmers, their production costs, or any other