

Prairie Grain Stabilization Act

ernment for three years, but so far has done nothing about this problem. I suggest to the minister that any plan or income program that he is going to adopt in regard to prairie farmers should include this basic item.

If we sell food in Canada which is grown in Canada, it should have some relation to the cost of producing it in Canada. This is particularly so when we consider that many of the items purchased by farmers are based on Canadian costs. On my farm I have a 1600 International truck which was made in eastern Canada. The cost of that truck is a Canadian cost, not a Japanese or British cost. The price that the people working in the truck factory in Hamilton pay for bread, wheat or the basic ingredients of their food should bear some relation to the wages they get for the labour put into the truck—in effect, a net income figure related to other net incomes in Canada. The minister in charge of the Wheat Board has not argued that this is not a fair proposition. I suggest to him that it is a reasonable assumption that there should be a net income position for prairie farmers which would bear some relation to costs, especially Canadian costs.

The two-price system has been advocated by farm groups for a long time. The minister suggested that he has consulted farm groups about this plan and others that he has presented to Parliament. This is a system that all farm groups have suggested, and he has chosen to ignore it. It has some relation to costs and income in Canada. Of course, it would not solve all the problems of prairie grain producers but it does have some relevance to their situation. Just a few days ago the net income position of occupational groups in Canada was published. It included doctors, lawyers, automobile workers, surveyors, architects and others. It showed that some cities in Canada have a very high net income position. But was any city in Saskatchewan listed? Was the farmer listed, or the beef producer?

If the hon. member for Saskatoon-Humboldt wants to draft a plan that will do some good for the prairie economy, I suggest he should consider a two-price system for wheat. The government of Manitoba believes that this would be an important feature of any stabilization program in connection with the income of farmers, and I do not recall that the minister denied this. Indeed, he did not make any serious effort to prove that farmers were receiving an adequate income.

All the farm groups that I have talked with or that appeared before the committee are opposed to the stabilization program. The farmer's increased cost of production must be taken into consideration and the minister should look closely at some of the suggestions made by the prairie governments. The minister has not proved that the farmer is making too much or too little money. He should at least prove his case if he is going to average farm income.

It must be remembered that the government's proposal will cost the farmer 2 per cent of his gross income in grain up to \$300, and that he has no option in respect of the plan. If he is already in the red, he will have to go in deeper. The minister may point out that the farmer will get money back if crops are poor enough, but one of the reasons farmers are opposed to this plan is that their experience in the past with this type of base support has been rather negative. Take, for example, the 80 per cent

floor price for hogs. In my part of the country last year hogs were 19 cents a pound, or less, for quite some time. Did anybody get a support or deficiency price? This price is below the cost of production. Farmers are well aware of the fact that in this type of program, before they get a support price or any help their situation must be so desperate that they are almost bankrupt.

Another awkward feature of this plan is that it is based on too large an area. Three prairie provinces are involved. In the last three years, crops in the Peace River area of British Columbia have been rather poor. These people could be made bankrupt by contributing to the plan while farmers on the Prairies received an adequate income. This is one of the reprehensible features of the plan, that a charge can be imposed on somebody who will receive no benefit from the plan or who may be bankrupt before he does.

In my experience with the Prairie Farm Assistance Act, in some years I received assistance when I did not deserve it and in others, because of the blanket approach, I did not receive assistance when I was entitled to it. I am not advocating doing away with the Prairie Farm Assistance Act, but it has served its purpose. If something is to be put in its place it should be a program that is much more effective.

Because of its many unattractive features, because the legislation does not consider costs, because it will increase the burden on farmers at a time when they are not in a position to bear any further increase, I must support the amendment, Mr. Speaker.

• (5:50 p.m.)

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my first remarks in this debate must be to point out that it is regrettable that the government has allowed itself to degenerate so much in the eyes of the people and particularly in the eyes of western farmers. In my hand I hold excerpts from a copy of *Hansard* of 1969. It is interesting to read what the late Member of Parliament for the constituency of Assiniboia had to say on the subject of agriculture. He said, as reported at page 969 of *Hansard* for November 18, 1969:

We need a national policy for Canadian agriculture. It is long overdue.

At the bottom of the page he is reported as saying: I renew my plea to the government to support the price of wheat at \$1.95½ for export as well as domestic consumption.

He said many interesting things in that speech. On page 967 he is reported to have said:

It is the area of agriculture that has the greatest problems. The situation is not good—

One could read the entire speech and learn much from it. The point is that he said we need an agricultural policy. He also said that the price of wheat should be supported at \$1.95½ per bushel. All hon. members appreciate the efforts of that hon. member, who sat on the government side of the House, in his attempts to bring forward concrete proposals that would help his area of western Canada. I hate to say what I am about to say because the hon. member is not here to defend himself: one can only say that he failed to convince the government of the need to support wheat at any price. They have deliberately