

*Grain Prices*

Here is a specific example of a country which has used a system for a long time and based the price they pay to farmers on the cost of production, given him that price before he starts to plant the crop so that he can make the proper decision, not only for himself but also to meet the international demand for a commodity which we have the wonderful ability to produce in excess of our domestic demands.

The use of this basis for the cost production is not new in Canadian programs. We have it in our stabilization act which was amended a few years ago. It was established in our Western Grain Stabilization Act. When Alberta brought in its stop loss program a few months ago for hogs, it established this basis in the program. When producers and the government of Alberta went over to Japan to sell hogs because there was a surplus, the Japanese government was convinced to buy hogs based on the cost of production plus a reasonable profit. So even though at that time the price of hogs in Alberta was greater than the one in the contract with Japan, many farmers grabbed the contract because they knew that in the long run they would be better off, and they signed contracts on that basis.

This is not a new proposal. It is one that has been tried in other countries, one that we have put in our programs here in Canada and one that we could easily adopt by basing the initial price which the Wheat Board announces not on some figures that are pulled out of the hat based on a pool account, but rather based on the cost of production which statisticians are now gathering for us under the Western Grain Stabilization Act.

I will conclude my remarks on this motion by saying that it is important to western farmers that we do not continue to allow them to produce almost every commodity that they produce at less than the cost of production. They cannot continue to do that for much longer. They must get adequate prices, otherwise we will have continued consolidation and upward mobility by large corporations buying land and processing goods so that they can make profits here and there through the system. So I commend this motion to the House of Commons and I hope hon. members will see fit to send it to the Standing Committee on Agriculture.

● (1620)

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I wish to say a few words in support of the resolution before the House, and to commend the hon. member for Wetaskiwin (Mr. Schellenberger) for introducing this idea for consideration. I want to mention five or six different points which I think members should take note of and perhaps reflect upon.

The first is the point he ended off with regarding farmers and their cost of production, pointing out that so many of their commodities are sold at less than the cost of production. He talked about the price of barley and what has happened to that in the last 40 or so years, as I recall.

The point I want to start off with is the whole idea of planning. I think all of us like to plan our lives as much as we can, and in politics that is often very difficult. Whether it is in

business or working in a plant, no matter what, people need and want to plan their lives in terms of their families, the houses they want to build, the cars they want to buy, and all this is based on the incomes they receive from their jobs—their remuneration. This is one thing that many farmers cannot do. Many farmers do not know in the spring what they are going to receive in the fall for the grain they have planted. The resolution before the House today is one that tries to rectify that situation so farmers can do a bit of planning.

I remember my 18 years on a farm as a child, growing up. In the spring we had no idea what we could do in the fall, what we could purchase or how much money there would be available, because all this depended on the weather and international prices for various commodities. This depended on factors that were totally beyond the control of the individual farmer.

That is a situation people in other occupations will not tolerate. I think the time for farmers tolerating that situation has ended as well. I want to suggest one thing to the hon. member who moved this resolution today, and that is that we have floor prices. I think what should go hand in hand with that, unless we run the risk of tremendous over-supply of products, is a system of orderly marketing, with marketing boards and marketing agencies. The hon. member smiles, but I know he supports the concept of orderly marketing for some commodities, but perhaps not for others.

In this country we have five national marketing boards for products; I think of industrial milk, turkeys, broilers, and I think of CEMA. I said there were perhaps five, but maybe there are only four. There are literally dozens of marketing boards for commodities which come under provincial regulations. I think we have to combine a marketing agency with planned and orderly marketing, along with minimum prices, because if you have floor prices based on the cost of production, with a depression of prices elsewhere in the world you can easily understand that there might be an over-supply of certain commodities in this country. We have to combine this with as many import controls as possible through GATT to protect our Canadian producers. For proper import production we again need national marketing on a national level. I want to suggest that we should have a combination of minimum prices and orderly marketing.

One need only think of beef, for example, to know that if we raise the price of beef in this country through subsidies and guarantees, which I think we need, we may end up with an over-supply, unless we have some kind of marketing agency so we can plan production to meet consumption in this country. I can say as a person who comes from a riding where there are literally hundreds of cow-calf producers, I am informed that the overwhelming majority want a marketing agency or board for their product.

The second thing I wanted to mention was the need in our country now for the promotion of international price agreements, or international commodity agreements. I think that is what we should be striving for around the world today.

One of the problems we have in respect of wheat today is the result of the old international wheat agreement falling apart a