

Supply

• (1720)

Mr. Caldwell: Mr. Speaker, I listened very carefully to the speech of the Hon. Member for Prince Albert (Mr. Hovdebo). He is one of the more respected farm spokesmen in this House and I followed his line of thinking very closely. However, I did not notice too many solutions to the problem or what his Party would do if it were in government. The only thing I heard him mention was supply management. Supply management seems to be the answer. I think it has worked in many of the commodities such as feathers, some of the fruit and vegetable areas and in the dairy industry. However, I wonder how he is going to apply supply management to the western grain farmers when 65 per cent of their production is exported. Is he suggesting that 65 per cent of the farmers go out of business or that they should cut down by 65 per cent?

Second, the Hon. Member says we should basically almost match the Americans in the amount of money they are going to put into the system. He knows very well that Canada is a major grain producer and that we produce about 20 per cent of the world market. The U.S. supplies 40 per cent, but we certainly do not have half the population to support that tax base. Is it the position of the Hon. Member's Party that this money should be put in there to increase the deficit which, in many cases, I think would devalue the dollar and also increase interest rates? Or is he suggesting making cuts in other areas of government spending? I would like to know, first, where he is going to get this money? And does he believe there should be a 65 per cent reduction in the number of farmers or a 65 per cent cut in production in western Canada? And how would the farmers feel about that?

Mr. Hovdebo: Madam Speaker, I thought I spent a particularly large amount of time suggesting that that is exactly what we do not want. We do not want the elimination of 65 per cent. In fact, if we could find a method of doing it, I would suggest that the land we have, particularly on the Prairies, could handle another 25 per cent of farmers and we could still produce enough to keep those people going.

At no time did I suggest that we try to match the United States. In fact, I do not think you would find many farmers right now on the Prairies or even in the Hon. Member's part of Ontario who would say they wanted us to match the U.S., although in the deficiency discussions that came up quite often. I think right now most of the farmers out there would be quite satisfied if there were some assurance that as long as they produced, they could survive. They would produce what was saleable. However, if they do make a wrong choice or if the markets do continue to fall, they still want to be able to produce something which will make them a living. They do not want to go on the dole. They don't want to have to collect unemployment insurance in some city. They want a farm, a community and a rural life. They do not mind working for it and they will accept anything almost to the survival level.

I am not suggesting that I or anyone else have a solution at this moment. However, the agronomists of Ontario made a

very well defined suggestion on what could be done as far as the grain industry was concerned. That suggestion is something we should look at. Neither my Party, the Liberals, nor the Conservatives should look at it separately. We should look at it together as a solution to the problem. They suggested that we knew how much grain we use domestically. We have a pretty good idea of how much grain we can sell, at what quantities and at what particular price. The main concern, of course, is that the price goes down and we have no way of knowing how much we are going to lose. However, if the Government is willing to admit that we need the farm community, we need this production, then we can make a decision jointly with the farmers and with the Governments which will allow them to survive.

If it costs more than it is costing now, that is the price we will have to pay. If we do not do that, those farmers are going to go off the land and we will end up paying for them because they will not find jobs in the cities. We will be paying for them in other ways. It does not take a great deal of extra money to keep them on the farms, and that is all they want at the moment.

Mr. Caldwell: Madam Speaker, I am not sure whether the Hon. Member for Prince Albert (Mr. Hovdebo) has really answered my question or even if he understands what supply management means. It means that we produce for the domestic market and give up our exports. That is what a supply management board is, as we understand it. I do not quite understand how the Hon. Member can say we can increase production and still be in supply management. I do not quite understand where he is going there. If we are going to go into straight supply management and produce for the domestic market, we are going to have to cut our crops by 65 per cent on the Prairies in western Canada to meet just the domestic market.

Mr. Hovdebo: The Hon. Member should know that the dairy industry, which is probably the most sophisticated structure of supply management we have, produces in a variety of ways. It produces, first, for the domestic milk market, then for the industrial milk market and for an export market. The same thing can be done with any of the products with which we are concerned.

I am not suggesting, although it might be the only way we have to go, that supply management of that type is what is going to work in the grain industry. What I am suggesting is that we do know the parameters of the domestic market. We have a pretty good idea as to what we can sell. We know, for instance, that if we can produce a high quality wheat, we will sell more. We sell 10 per cent of our grain right now to the United States even if there are barriers to allowing it in. There are possibilities, but we will not find those possibilities, and they will not become part of the agricultural production system, unless we put them in place and we all accept them.

I suppose what I am suggesting is that perhaps the time has come, as far as agriculture is concerned, when the farmers in