

*Wheat Export Prices*

will give sympathetic and favourable consideration to at least some of the representations made by the responsible people with whom he had serious discussions last week.

I do not propose to go through the whole catalogue of those proposals, but I would like to dwell on some which I regard as basic minimum requirements. In my opinion, the federal government can do no less than support the price of wheat at \$1.95½, the floor in the International Grains Arrangement, which runs for two more years. The support should be retroactive to include the past few months during which the Wheat Board has been selling below the minimum. This arrangement was drawn up by governments, signed and ratified by governments, and has now been broken by governments. It is nothing more than ordinary justice that the government should bear the cost of this price cutting, instead of the farmers who produced the wheat in good faith. Such a guarantee would obviate the necessity for reducing initial payments.

This was one of the unanimous recommendations of the Standing Committee on Agriculture. It has the support of the prairie provincial governments and of all rural and urban organizations in the west. The government set the precedent for such action by supporting the price of wheat at that level for the 11 months prior to the commencement of the I.G.A. on July 1, 1968. There is even more justification for doing so now because the arrangement is a legal fact as well as a moral obligation.

● (10:10 p.m.)

There is some question about the cost. It could be expensive. Perhaps prices could drop as much as 25 cents below the minimums, although I fervently hope not, on possible sales of up to 500 million bushels. This could amount to \$125 million a year, which is about equal to the annual subsidy to dairy producers and only a drop in the bucket compared to the subsidies accruing to industry and industrial workers because of protective tariffs. I want to again suggest that the proposal for a two price system for wheat should not be discarded without a thorough investigation, as I still believe it is an eminently fair proposition. It is reported that the Prime Minister has turned down the idea. If this is so, I think we should be told how much investigation took place and all the reasons behind any decision that may have been made against it. Incidentally, the

agricultural committee favoured the two price system too.

Other action that should be taken includes some further incentive to reduce wheat acreage; that is, in addition to the very severe quota restrictions which have already resulted in a 12 per cent reduction in wheat acreage this year. I suggest a cash payment of at least \$10 per acre to farmers who have voluntarily reduced their acreage this year and to all farmers who will do likewise next year. This would help the cash shortage position immediately and assist farmers to adjust their farm operations to alternate production. Grants or low interest loans to assist farmers to convert to livestock production or feeding should also be provided. There should be an exhaustive inquiry into the grain delivery quota system with a view to making it more equitable and to eliminating abuses which have developed. It seems obvious to me, notwithstanding the assurances of the Wheat Board, that thousands of farmers will only have space to deliver three or four bushels per acre instead of the promised five bushels. Farmers know they must have low quotas when grain sales are down, and they are realistic enough to accept this fact. But they will justifiably and understandably resent inequitable distribution of those marketing opportunities there are. These inequities that I foresee will arbitrarily, unpredictably and sharply affect their incomes and their very ability to survive.

Farmers and all western people would applaud some plan which would allow all farmers to share equitably in the grain market. The most common suggestion is to have the crop year extended past July 31 for a limited number of days or weeks until space is made available at delivery points where it is needed. I understand, however, that this plays havoc with the tremendous bookkeeping operation of the Wheat Board.

My number one proposal would be to have a continuous quota. That is, instead of cutting off at three, four or five bushels on July 31 then starting back at one some time after August 1, why not continue on to nine or ten or twelve bushels or more next year, to whatever level sales will permit and of course top priority should at all times be given to maximizing our sales. This would allow the railroads and elevator companies ample time to equalize quotas. It will be said that this will allow people who did not have much wheat last year to deliver up to two years quota out of the new crop. Perhaps there would be a few but what is wrong with farmers who had