

## Supply

A few days ago I talked with a group of people living in southern Alberta who were attending a fall farm show. They said the announcement just drained away all the enthusiasm there was for what otherwise would have been a very happy occasion. A 20 per cent reduction in the price of grain this year would drop the price from \$130 a tonne, which was the price last year, to around \$105 a tonne, or from \$3 a bushel last year to \$2.40 or \$2.50 a bushel this year. To put that into perspective, we have to recall that three years ago, during the 1984-85 crop year, the price of No. 1 and No. 2 wheat was \$170 a tonne. So it does not take much imagination to realize what a devastating impact that kind of reduction in the price of grain will have.

I would like to quote from an article in *The Regina Leader-Post*. Mr. John Morriss, spokesman for the Canadian Wheat Board, was quoted in the March 5 edition as saying:

This is really getting pretty serious. We're talking nuts-and-bolts economic survival and whether it's worthwhile for farmers to put in a crop.

I would like to quote as well from *The Calgary Herald* of March 5 in which Doug Livingstone of the Alberta Wheat Pool was quoted as saying:

Any significant cut in initial grain payments to farmers would mean a further deterioration of the already "scary" situation facing rural Alberta, the president of the Alberta Wheat Pool said Wednesday.

Doug Livingstone said his gut feeling is that 25 per cent of Alberta's 50,000 farmers are already insolvent because of today's critically low prices.

The headline of *The Regina Leader-Post* of March 5 reads: "Impossible for Most Farmers to Break Even".

The editorial in *The Saskatoon Star-Phoenix* of March 6 says in part:

But Agriculture Minister John Wise is telling farmers they should not count on another deficiency payment, using the market alone as their guide in deciding what to plant this spring. Surely farmers deserve a firm commitment of continued Government support which will, in effect, provide them a guaranteed minimum price higher than anticipated world prices.

To put that into perspective, last year with the market price and the Canadian grain program our producers received about \$3.48 a bushel. This year, if prices drop by 20 per cent, we will see a reduction of that to \$2.50 a bushel. United States farmers have a guarantee of around \$6 a bushel and the European Economic Community has a guarantee of about \$8 a bushel for their top quality wheat. It is obvious our farmers are in a desperate situation, not knowing how they can survive or whether they can even plant a crop this year because they do not know what the initial price is going to be and whether the Government is going to provide any assistance or how much. That is why the first part of my motion before the House today just simply calls upon the Government to ensure that the returns on grain in the new crop year will be at least at the levels of the 1986-87 crop year.

Second, it would be most helpful if the Government would make a commitment to freeze the grain freight rates, the part the farmer pays himself. Last year the Minister of Transport ordered the Grain Transportation Agency to roll back its estimate of some 31.5 million tonnes to something in the 27

million to 29 million tonnes range. In fact, it did roll it back to 28.5 million tonnes which resulted in an effective freezing of the freight rates. Unfortunately, the volume shipped is estimated in this crop year to be around 31.5 million tonnes. That means the surplus of some \$70 million which was contained in the tally-averaging account has been used up because the estimates were very close or slightly above what the Grain Transportation Agency had given the Minister originally. In the upcoming crop year it is estimated to be almost 32 million tonnes. This will result in an increase in the price charged to farmers for shipping their grain from around \$6 a tonne to about \$9 a tonne, a 50 per cent increase. Surely if we average that increase over 33 million tonnes of grain, we are looking at an increased cost to farmers of about \$100 million. That is an added expense which is really hard for the farmers to absorb in a falling grain market with no guarantees at this stage. Therefore, I would hope the Minister would be able to announce this afternoon that he will freeze the grain freight rates. The Minister of Transport went to a lot of trouble last year so that the Prime Minister (Mr. Mulroney), before he flew off to the International Summit Meeting in Japan, would be able to announce that grain freight rates had been frozen. I hope he will be able to announce that today.

Late last summer the CNR finally provided its cost figures for the operation of grain handling operations. Its input into its estimates of the grain handling costs under the Crow benefit was about \$25 million higher than it had been previously estimated. It has been recommended by the senior Grain Transportation Agency that the Crow benefit should be increased from \$658 million to \$683 million. I would hope the Government would move on that recommendation which was made last fall.

The second part of my motion today deals with input costs. I think it is important that we survive the current trade price wars, we have to drive down input costs and provide assistance on top, at least at a level where our farmers can survive this most agonizing and difficult farm situation since the 1930s. There are many ways to drive down the input costs. One way that I think has been most impressive to the agricultural committee, which is doing a study on this, is the cost of farm chemicals. We had a group called the Manitoba—North Dakota Zero Tillage Group before the committee. They told us that the average price of four pesticides which were not patented was some \$2.91 a pound, whereas those which were patented were some \$30.56 a pound. That points out that the price in Canada of a herbicide such as Roundup, which is commonly used for the control of weeds and reducing tillage, is almost double what it is in Australia. It seems to me that this is an area in which the Government could act, along with others, in providing reduced input costs. It is a dramatic way of reducing input costs. It is also very important in the conservation of our crops and farm land.

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The last point I wish to deal with is the worsening farm debt crisis. Since the Farm Credit Corporation first reported the