

system is the best we have come up with. I am a supporter of the supply management system and I intend to continue promoting it." Mr. Chairman, I should like to know the basis for that statement. I, too, am a believer in supply management, but I believe in supply management at the producers' level where a quarter of a million producers make the supply management decisions, not a handful of people.

The European Economic Community has been in favour of supply management for years, and their agriculture is in a mess. Agriculture in the USSR has been under total control since the first world war, and as a result that country has gone from a surplus position to a deficit position as far as agricultural products are concerned. The United States has by far and away the best record in the world, and it is one which is certainly not based on supply management. Give the producers the best possible information available and let them make the decisions.

It is interesting to note that while our average annual wheat crop in the past five years has been about 500 million bushels we have exported an average of 470 million bushels each year and used another 170 million bushels at home, for a total of 640 million bushels. These figures show there has been a deficit of about 85 million bushels each year. Whatever the scientists' feelings are with regard to long term weather trends, they agree that the world's climate is entering a period of widely felt varying conditions which will make the planning of agricultural production extremely difficult. Unless by some happy circumstance we produce an unusually large high-quality crop in 1976, the Canadian Wheat Board's overseas sales staff will have to be very cautious.

In Canada we seem to operate on the basis of the Boy Scout idea of doing our good deed, which is to open up Canada to all overseas goods and for us to live off the exports of raw materials. This philosophy was followed in the years of the Pearson government, incidentally by the people who gave in to the first 30 per cent wage settlements. The question now is this: are Canadian agricultural products being put on the block in return for trade-offs in industrial goods? What concerns me is the fact that antiquated low tariff levels permit foreign food products to flood Canadian food markets and undercut Canadian producers. We have only to look at such examples as the entry of soya beans into Canada from the United States duty-free. In contrast, soya beans shipped from Canada to the United States are subject to a tariff of 60 cents per bushel.

Last year Ontario had a surplus of peaches. If canned peaches are exported to the United States, the duty to be paid amounts to \$1.90 per case. Canada's duty on American peaches is only 63 cents per case. Canada admits corn from south of the border at a tariff of 8 cents per bushel, but Canadian exporters must pay a 25 cents tariff to export Canadian corn.

We are at a point now in Canada where the only products we can market internationally are grains and oilseeds. We do sell some things to the United States, and small amounts of pork to Japan, but apart from this we are pretty well out of the international market. Agriculture needs help and lots of it.

After the great fuss over the new Farm Credit Corporation legislation, what do we find? We find the government

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completely reversing itself. The situation now is that only farmers demonstrating extreme need can qualify for FCC loans in 1976-77. Loan allocations will drop by 42 per cent this year to some \$370 million from last year's level of \$641 million. I would point out that of last year's loans about two thirds went to farmers under 35 years of age, which is exactly what the act was designed to accomplish.

Surely it is time we made a distinction in this country between economic activities such as agriculture, which produces commodities, and those which do not. I have said many times in this House that our senior civil servants are disdainful of trade. No real importance is attached to marketing. There is no drive. Look at the present surpluses of powdered milk. There is no doubt in my mind that if the correct action had been taken when the stocks of powdered milk first began to accumulate, we would have had no great difficulty about disposing of them around the world.

Recently, Mr. Chairman, a real milestone in labour relations was reached by Canada's west coast ports. This was the substitution of voluntary arbitration for disruptive strikes and lock-outs. Grain handlers and elevator companies have agreed to mediation under an arbitration process, which promises to keep prairie grain flowing through those ports at least as far as labour and management in this sector of the grain system are concerned. It is significant that the government should have shown no leadership in this area whatsoever. After a long period of bad relations between labour and management, the best it could do was impose a settlement. Our customers, particularly Japan and China, complained bitterly about late grain shipments. We lost business to the United States port of Seattle.

The success of this latest move by labour and management is significant for all of Canada. It is the first acceptance by a major industry under federal jurisdiction of a mediation arbitration technique. It took a number of members from this side of the House to initiate the project. Six of us went to Vancouver and met with the parties involved to find out the facts, weigh the feelings on both sides, and try to bring the parties together. The federal government did not enter the picture for 14 months.

There is another question which is of great concern to farmers and it concerns land valuation. December, 1971, was V-Day for that purpose, and as most members know on that date farms were selling at the lowest prices for years simply because there were no grain quotas, no grain sales. Farmers could not even meet their expenses let alone pay for land. So valuation day prices were many times below what they should have been. Nowadays, with the cost of everything else going up, these valuation day prices seem particularly unfair to farmers who are subject to capital gains tax if they sell their land at more than the valuation day assessment.

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About a week ago I noted with some concern a press report indicating that the government is pinning its survival hopes on a food policy, and that this policy will put heavy emphasis on getting food prices reduced. Several days ago when the deputy minister of agriculture was in front of the standing committee he indicated to the committee that he was not aware of such plans and that so far