

and hypocrisy of what they see about them. They are searching for values that will give some meaning to the material side of life. They are looking for quality in life.

Governments, churches, all institutions, must take full cognizance of what is happening. This means not only recognizing the existence of these forces but also acting positively to deal with them. I am certain that the government and its advisers are fully aware of the forces present in society today, but it is clear that this recognition has not been translated into programs and action.

As I stated previously, injustice will no longer be tolerated. Inequalities in society represent a large segment of what might be termed injustice. Inequality in Canada will not be eliminated just by tinkering with the existing order. Surely, the economic council finding that regional disparity has not lessened over decades in spite of significant public efforts demonstrates this fact.

The elimination of inequality in Canada will require a major overhaul of the Canadian economy. The task involved is compounded by the impact of technological change. The degree of economic control now in the hands of the corporate sector, both domestic and foreign, contains the germ of much of our present inequality. The task is unfinished until the economic power held in this private sector is wrested away and restructured to enable people not only to enjoy the good life but also to participate fully in deciding on the good life. The accomplishment of this task involves a host of actions including overhaul of the tax system, action to ensure economic independence, reorganization of many aspects of the economy, adequate housing and a well thought out regional development program. It is because the government's approach is tinkering and timid rather than profound and courageous that I cannot support the motion before the house.

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, as one of the many new members of the House of Commons in this first session of the twenty-eighth parliament I am very pleased to have the opportunity of taking part in this debate.

I, too, would like to congratulate you on your election to the office of Speaker of the House of Commons. I am sure that the many favourable comments that were made at the time of your election on September 12 were well deserved, and I look forward to working under your direction for what I hope will be

a long time to come. I promise that you will have my complete co-operation in complying with the rules of the house. I also wish to extend the same sentiments to the Deputy Speaker.

Permit me also to compliment the hon. member for Madawaska-Victoria (Mr. Corbin) and the hon. member for Kamloops-Cariboo (Mr. Marchand), on their excellent presentations in moving and seconding the address in reply to the Speech from the Throne.

My constituency of Assiniboia is the centre one of the three southern ridings in Saskatchewan. It is 200 miles long and up to 90 miles wide, being one of the largest constituencies in the settled parts of Canada. It is mainly an agricultural area, producing some of the highest quality wheat in the west. We also produce other grains, oil seeds, cattle, hogs, and many other farm products, but on the whole our average rainfall is such that wheat is our best crop.

In the Assiniboia constituency we have some very important oil fields, some sodium sulphate mines, and some small but thriving manufacturing plants. We have a population of about 70,000 people of diverse backgrounds, including several communities that are predominantly French speaking. I am indeed grateful for the honour of representing such fine people and such a great area here in the House of Commons. I am also proud to share with the hon. member for Saskatoon-Humboldt (Mr. Lang) the honour of representing the province of Saskatchewan on the government side of the house.

• (8:40 p.m.)

I believe that this is the first time since 1930 that the Assiniboia constituency, which now includes the former Weyburn constituency, has sent a representative to sit on the Speaker's right. This is a tremendous responsibility, especially in view of the fact that I am one of the few members of this house who is a practicing, active farmer, and one of the even smaller number of such on this side. I serve notice here and now that I intend to bring the problems and needs of my constituents and my part of Canada to the attention of this house, and to the attention of the government, at every opportunity.

I was born and have lived practically all my life in the Assiniboia constituency. I have been farming on my own for 38 years and I think I know the viewpoint of the residents of my area. I have seen bad times and good times. The worst times were back in the dirty

thirties, and the best times were probably during the four years from 1963-64 to 1966-67. In those four years the value of wheat exports averaged well over \$1 billion a year. We farmers were shocked at the drastic reduction in markets and sales in the 1967-68 crop year when the value of our wheat exports dropped less than \$700 million, and the same experts who predicted an almost unlimited demand for wheat a few years ago are now far from optimistic about the market outlook.

The farmers of this country, and especially the wheat producers, are worried about the future and with good reason. For several years we were told by agricultural authorities, both Canadian and international, that there would be such a big demand for wheat that it was doubtful if we could produce enough to meet requirements. On the strength of this forecast many farmers borrowed money to expand their operations and produce more efficiently. We bought larger machinery and made heavy investments in fertilizer, expensive farm chemicals, and the equipment to apply them.

As a result our yields and our total production have risen tremendously. Let me illustrate by saying that 1967 was a very dry year. It was even dryer in Saskatchewan that it was in 1937. The average wheat yield in 1937 was between two and three bushels per acre in Saskatchewan, whereas in 1967 it was well over 15 bushels per acre. This dramatic increase was mostly due to improved efficiency and better farming methods, which included many expensive items such as fertilizer and weed chemicals. Better machinery has been an important factor in rising yields and production, but machinery costs are high and represent a heavy annual charge against our cash income.

The point is that western farmers, or a large majority of them, have geared their operations and their financial commitments to an expanding market for farm products. We are told that the recent downturn in effective demand for wheat and other grains is of a temporary nature, but many of us are not so sure that we can depend on this. It is somewhat reassuring however to hear that the wheat board is redoubling its efforts to sell wheat, and apparently with some results. In the first five weeks of this crop year our wheat exports were 32.6 million bushels, which is up substantially from the 27.5 million bushels exported in the same five weeks one year ago.

[Mr. Douglas.]

It is in the interest of all Canada, and all Canadians, that the agricultural industry be maintained in a healthy and thriving condition. It is one of the most important segments of the national economy and has usually made an enormous contribution to our export trade and toward keeping a balance between exports and imports. A depression in agriculture would be magnified many times throughout the economy, and would set off a serious recession, the effects of which would be felt in every part of the country.

I should like now to outline some of the steps I think are required to restore the confidence of our farmers and to avert the dire effects of a lagging farm economy. First and foremost, an expansion of our markets is required. The wheat board and the government must be very aggressive in searching out, developing, and maintaining reliable outlets for our products. The United States has shown us the value of aggressive salesmanship in the past year or two. It is imperative that we do the best possible job of advertising and selling our produce. Unusually high world wheat production during the past two years has made it necessary to adopt new sales methods and I feel confident this can and will be done. Grain prices have gone down somewhat in the past year. The best hope we have for improved prices is to increase the effective demand. In recent years, we have learned that when the demand for our grain equals or exceeds our supply, the prices will improve. So, developing markets will have the twofold benefit of allowing us to sell more bushels, and at better prices.

I note references in the Speech from the Throne to a federal co-operatives act and to an export development act. I trust that both of these measures will contribute to more effective marketing of wheat and other farm products. I was also happy to hear the Prime Minister (Mr. Trudeau) say that the government and the wheat board are determined to sell at least 1.3 billion bushels of wheat in the next three years. Farmers will not be satisfied with anything less. Of interest too were the Prime Minister's remarks about a high level of wheat and flour content in our international development program. I am sure that Canadians are fully in favour of a maximum effort to ship our surplus food to the unfortunate peoples of the world, who need it, but do not have the funds to buy it. It seems to me that this is one of the better ways in which Canada can serve the interests of peace and world brotherhood.

Another urgent need in agriculture is more and better research. We need more research in many fields in respect of such things as higher yielding crop varieties, better livestock, better handling, storage and marketing methods, and greater knowledge of consumer requirements. There are tremendous possibilities in all these areas and it is urgent that they be fully explored.

Credit facilities for agriculture need attention. I welcome the references in the Speech from the Throne to a new Farm Improvement Loan Act as well as amendments to the Farm Credit Act and the Farm Machinery Syndicates Act. The previous Farm Improvement Loan Act expired last June, but few loans were made under that act in the latter months it was in force. As most hon. members will know, the interest rate was fixed at 5 per cent, and the rising interest rates of the last year or so made that rate so unattractive to the lending institutions that they had practically stopped making loans under the act. In spite of the fact that interest rates have dropped, the 5 per cent rate is still not a realistic one.

I agree with the proposition that the cabinet should be given the power to set a rate which may be varied from time to time as changing interest rates may dictate. I suggest that the rate set can and should be considerably less than bank loan rates, because of the additional protection the lenders will get as a result of the government guarantee. I was pleased to see that the new act will allow credit unions and many other institutions to be authorized lenders under the act, in addition to the banks. Many communities in Saskatchewan are served by credit unions only. The town of Assiniboia has one of the largest rural credit unions in the world.

With regard to the Farm Credit Act, I am glad to hear that it is planned to increase the capital of the Farm Credit Corporation and to broaden its use. I am somewhat disturbed, however, by the announced intention of applying what can be termed a "floating interest rate" to these loans. This is quite a different situation from the Farm Improvement Loans Act.

I believe that the Farm Credit Corporation was set up to provide an opportunity for farmers to attain economic units, and it is restricted to those who actually need the help and can qualify. Once a farmer has reached a certain size of operation he can no longer qualify for a loan. Those who do qualify at present do not necessarily get the full loan

required at 5 per cent. In many cases the first \$20,000 required and approved is at 5 per cent, and the balance will be at very close to commercial rates. I hope the interest rates under this act will remain undisturbed to encourage the creation of economic farm units, and to encourage young men to stay in farming by making it a little less difficult for them to get started. The act has been very successful in doing this in the past, and I would not want to see anything done to reduce its effectiveness.

• (8:50 p.m.)

I will include the subject of cash advances in the category of farm credit. In the light of the lower delivery opportunities in the last year, farmers are more short of cash than usual at this time of year. I am quite sure that more use than ever before will be made this fall of the Prairie Grain Advance Payments Act. The Speech from the Throne indicated that there would be amendments to that act. Farmers will welcome the announcement that the proposed amendments will double the rates and the limits of interest free cash advances on farm stored grain.

I wish to point out, however, that these cash advances will not help those farmers who have no grain to sell. There are areas in the Assiniboia constituency, and in other parts of the prairies, where the crop was poor last year and there has been no carryover from the 1967 crop. Many of these areas have been hit hard by a variety of natural calamities this year including drought, hail, frost and, more recently, excessive rainfall that is playing havoc with the harvest, which in some cases might otherwise not have been too bad. I urge this government and the provincial governments to watch these disaster and potential disaster areas, and to be prepared to render whatever special assistance may be required.

Another step that I think is needed to stabilize the farm industry is an improved system of all risk crop insurance, which would be available to farmers at rates that would make it possible for all to participate. The federal and provincial governments have recognized the benefits of a crop insurance program and I believe it is operating in most provinces. The federal and provincial governments' share the operating costs, and the federal government contributes 25 per cent of the premium. The cost to the farmer is still so high that only a fraction of those eligible for insurance actually participate in the plans.

I think it will be necessary for governments to increase their rate of support for crop insurance so that these plans will be universally accepted. If that happens, farmers will be more adequately protected against the many hazards we face every year, and which have been especially prevalent this season. The benefits of such a widespread crop insurance program would be great indeed, and I am convinced that its sustaining and steady influence on the national economy, would far more than compensate for the cost. There are various proposals for bringing about these changes in the application of crop insurance, but I will not attempt to go into them at this time.

The Speech from the Throne referred to a national grains council. I believe this is a most welcome proposal. At the present time we have many different organizations purporting to speak for the farmers. For example, I am a member of the Saskatchewan Wheat Pool and also the Saskatchewan Farmers Union. Both these organizations make statements from time to time, and sometimes they disagree. I hope a national grains council will have representation from producers, farm organizations and all interests involved in the production, handling and marketing of our grain. Such a council should be able to arrive at solutions for the very serious problems facing farmers at this time, solutions that would find ready acceptance by the federal government because they would represent the combined thinking of all groups concerned.

I hope the national grains council, or the government, will examine the merits of what has come to be known as the two-price system for wheat. This system would raise the price of wheat used for domestic consumption by perhaps \$1 a bushel above the export price which is chronically depressed by world trading conditions. This domestic price increase would be financed, not by government subsidy, but by increasing the price of bread by approximately two cents a loaf. The price of bread has gone up a great deal in the past 20 years, but the value of its wheat content has changed very little. It seems to me it is only fair that farmers should receive an increase in respect of the basic ingredient of bakery products, when all others concerned in the business have received more for their efforts. The price of everything used by farmers in the production of grain has risen by leaps and bounds, and there should be some way to relate the price of wheat used in

[Mr. Douglas.]

Canada to the general price levels of other goods and services. I am told that Canada is the only major wheat producing country which does not give its farmers the advantage of a better price for wheat used at home. I urge early action to investigate these proposals. I know there are difficulties involved, but I am sure they are not insurmountable.

I said earlier, Mr. Speaker, that I intended to bring the needs of my area to the attention of the house. I hope I have made a start on that project in the past few minutes. I want to say also that I am interested in the problems of every part of Canada, and I have listened with interest to the speeches of others participating in this debate. However, like many other members, I am dubious about the wisdom of using so much valuable time in discussing the Speech from the Throne, when there is urgent legislation waiting to be considered. I believe that Canadian people are watching very critically to see if this new parliament can change its old fashioned ways and become an efficient and dignified institution which can deal effectively and quickly with the nation's business.

The Speech from the Throne forecast reforms in parliamentary procedure. It is quite apparent to most Canadians that very drastic reforms are required. I hope that we will get on with this job as quickly as possible. Undue delay will not be tolerated by our constituents, who must have their confidence in our parliamentary institutions restored. I will do everything in my power to help bring our procedures up-to-date.

There is another subject on which I would like to comment briefly, Mr. Speaker. It is the subject of labour-management disputes. Several disputes in recent months have been of great concern to western Canada. It was reassuring to hear from the Minister of Labour (Mr. Mackasey) that the strike of the lake-head grain handlers has not, in his opinion, caused any loss of grain sales or markets. Might I add that his efforts and the efforts of his department, which finally resulted in a settlement of that strike, are very much appreciated by most western people, even though we farmers know we will eventually have to pay the shot.

It does seem to me, however, that strikes such as the ones we have endured this summer should not be such a constant threat. Surely, in this day and age some method can be found to settle labour-management disputes before they reach the strike or lock-out stage. Reference was made by the Minister of

Labour to the desirability of improving communication and co-operation so as to facilitate the peaceful settlement of these matters. In this regard I anticipate concrete action during this session.

In conclusion, Mr. Speaker, I want to express my general satisfaction with the Speech from the Throne. I look forward to the early implementation of the many progressive programs it forecasts, not only for agriculture but for all this great Canada of ours.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, as a newcomer to this house I have listened over the past few days to the various views expressed by hon. members on a wide variety of subjects. I find that while I am not entirely in agreement with much that has been said, I can subscribe wholeheartedly to one sentiment that appears to be universally shared, namely, the pride and pleasure of this house in the re-election of Your Honour as Speaker. I would like to add my congratulations to you, to your new deputy and to all those who have been appointed to various tasks in this new parliament as well as to the mover (Mr. Corbin) and the seconder (Mr. Marchand) of the address in reply to the Speech from the Throne. I congratulate the mover and the seconder, but at the same time I feel sorry for that they had to work so valiantly in support of such a poor thing as this Speech from the Throne.

• (9:00 p.m.)

If it truly represents the legislative plans of this government, then I can only describe it as disappointing and disillusioning. It will be particularly so to the people of my riding of Dauphin where agriculture is such a vital factor. As the hon. member for Lisgar (Mr. Muir) pointed out in the house the other day, 60 per cent of prairie residents are directly or indirectly dependent upon the grain industry.

The Speech from the Throne, as a reflection of government plans, was woefully deficient in the area of agriculture. At a time when there are great and urgent problems in agriculture, particularly in the wheat sector, this government appears to be blissfully unaware of them: Merely adjusting farm credit upward or tinkering with existing programs falls far short of what is needed at this time.

While our attitude to the whole agricultural industry in Canada needs complete rethinking and a radical and entirely new approach, the truly pressing problem lies in the area of

wheat production. Canada's wheat channels today are choked with a tremendous carry-over. Piling up behind this is another bumper crop. By the time the current harvest is completed, this country will be faced with a disposable amount of wheat totaling well in excess of one billion bushels—some estimates place this figure at one and a quarter billion bushels.

What are the prospects of disposing of this huge amount of wheat? From the best available reports, the prospects are dim. Canada is caught between the inexorable pressure of wheat production and the increasing constriction imposed by dwindling foreign sales. When we consider that only about 10 per cent of our wheat production is absorbed by the domestic market, it can easily be seen what even the smallest dwindling of sales abroad can mean.

It is true that the wheat picture has been complicated by the crippling two-months strike of the grain handlers at lakehead ports, by unnaturally wet weather in the west, particularly in Manitoba, and by frost and other factors. These things will increasingly in the months ahead make much more difficult the movement of wheat from the farms to the elevators, to the terminals and to the final shipping ports. But these are temporary difficulties that have been experienced and overcome in the past.

What is much more serious and what is much more difficult to solve is the problem of maintaining the flow of wheat through sales to foreign customers. The whole wheat marketing picture has changed and is changing. The international wheat picture is chaotic. If we cannot adjust to changing circumstances, Canada is going to be left with her wheat with disastrous results, not only to the wheat producing areas but to the Canadian economy as a whole.

Right now Canada's traditional wheat export channel is like a garden hose in which the water has been fully turned on but on which the nozzle has been turned until the jet has been reduced to a fine spray. The restriction in this case is our inability to sell.

What is the situation in the world market place? For almost all of last year the uncontrolled buying and selling of wheat which followed the lapsing of the old international wheat agreement and the regulations imposed by the new international cereals agreement brought wide scale price cutting, cutthroat competition and the necessity of imposing