

this program. A lot of people may say there is no benefit to be gained from PFAA. It seems there are certain pockets, certain areas, where people do not take out crop insurance. Most of the people concerned are farmers with small farms. They will either have to enter into a crop insurance program or do without any coverage at all. Saskatchewan does not provide for full coverage, anyway. This is where the minister is remiss. The Minister of Agriculture (Mr. Olson) has not insisted on full coverage being provided for the entire province.

What will happen to all those people who were inspectors under PFAA, you know, those patrons of the Liberal party who were inspectors? A place for them will have to be found somewhere else. There is a place for them. They do not need to worry. They will become inspectors of the feed mills.

**An hon. Member:** They are all waiting for Lift.

**Mr. Korchinski:** They will be inspecting the feed mills because this is exactly what the minister intends in later legislation. They will become a little more sophisticated. No doubt they will require an increase in salary because they will need to carry sophisticated documents, and so on.

**Mr. Speaker:** Order. I regret to interrupt the hon. member but it being one o'clock I do now leave the chair.

At one o'clock the House took recess.

● (2:00 p.m.)

#### AFTER RECESS

The House resumed at 2 p.m.

**Mr. Gordon Ritchie (Dauphin):** Mr. Speaker, in rising to speak on this important bill I should like to point out that it will have an underwriting effect on the economy of western farmers for many decades. I am disappointed that the \$100 million was not kept separate from the total grains stabilization program. There is an urgent necessity to make this money available to the farmers. This \$100 million could have been disbursed before the passing of this complicated and far-reaching piece of legislation to establish a stabilization program.

We must scrutinize this stabilization program carefully in order to improve on it. We must watch very closely the administration and its methods of putting this money into the hands of the farmers. It is not yet clear whether the right formula has been devised in respect of producer and government contributions. We do not as yet know whether the pools should be reimbursed as a result of losses on barley and wheat in any crop year.

In his opening statement, the minister emphasized what had been done to increase grain sales and improve the farm economy. A close scrutiny of this government's policy in the past will indicate that Canadian wheat producers experienced a disaster in the 1968-69 crop year. The actual figures do not give an accurate picture of the situation because they are based on sales of grain which had been stored from the previous crop year. The fact

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that this grain was sold in the 1968-69 crop year makes it impossible to obtain a clear set of figures for that year.

Canada sold approximately 27 million bushels of barley from the 1968-69 crop year. This is an extremely small amount and most of it went to the malting trade. That trade varies only slightly from year to year. The genial Minister of Industry, Trade and Commerce (Mr. Pepin) at that time was in charge of the Wheat Board. I asked him about the Japanese market for barley and why it had been taken over by France. The Canadian Wheat Board was holding our barley at approximately \$1.00 per bushel while the French were underselling our wheat. All that was admitted was that the Wheat Board and the Canadian government were protesting to the French that they were undercutting us in our markets and this was not according to Hoyle. Nothing came of this.

● (2:10 p.m.)

But in September 1969, the Wheat Board suddenly and without warning dropped the price of barley 23 cents in one day. It went down to 78 cents or 79 cents. This was an extremely large drop and was contrary to the rules of selling whereby if you must reduce your price you reduce it a nickel at a time in the hope that you will be able to save some sales on the way down. Subsequently, we have been able to sell barley, but in the spring of 1970 it was sold at an extremely low price, unfortunately, perhaps because the Wheat Board panicked. One cannot fault the board too much for this because it could not foresee that the United States corn crop would be suffering from blight and that the loss of corn would be substantial. Also, the rise in the price of feed grain was unforeseen. The Italians, who seem to be the early buyers of barley noted that feed grain would be in short supply, so they made sharp sales. They were thus able to accumulate a considerable profit and at the same time obtain a large supply of Canadian barley at a greatly reduced price. Since then, there seems to have been some attempt to recoup this loss by increasing the price in the eastern market or our own country.

Now, what has the government done for the grains industry in this current crop year? First of all, the floating of the Canadian dollar last May has meant an almost nine per cent discount in the price of all grains sold for export. This amounts to a loss of approximately \$90 million. The Wheat Board, in its own statement, states that it had to reduce the price six cents to eight cents in one day with further drops as the Canadian dollar rose higher. This has had to be absorbed by the grain trade and in the final analysis the farmer will receive \$90 million less than he might have had the Canadian dollar remained at its original level. The Minister of Finance (Mr. Benson), during the discussion of the floating of the dollar, suggested that industries severely affected would be compensated and efforts made to improve their position. So far nothing has been done for the grain trade unless one could consider the \$100 million stabilization fund to be an effort in that direction. However, in practice that amount will only meet what the grains industry has lost in the past year by the rise in the exchange value of the Canadian dollar. As well, the Canadian