

HOUSE OF COMMONS

Thursday, February 25, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

GRAIN

TABLING OF ANNOUNCEMENT RESPECTING WHEAT GRADES EFFECTIVE AUGUST 1, 1971

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I would like to table under Standing Order 41(2) two copies, in French and English, of an announcement respecting the Canada Grain Act, particularly concerning grades that will be applicable in the new year.

BARLEY—ANNOUNCEMENT OF INCREASE IN INITIAL PAYMENT FOR CURRENT CROP YEAR

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I wish to inform the House of a 10 cent increase in the initial payment for barley in the current crop year to \$1.01, basis No. 3 Canada Western 6 Row in store at Thunder Bay. The increase is effective March 1 and an adjustment payment of 10 cents will be paid on deliveries in the period August 1, 1970 to February 28, 1971.

• (2:10 p.m.)

The market demand for barley has been strong and selling prices have risen sharply in recent months. The Canadian Wheat Board believes that additional export sales for May, June and July delivery could be made if the board could be certain that producers would deliver the extra barley in time to meet any new sales commitments that are undertaken. To permit the Wheat Board to take advantage of current barley prices and sales opportunities it is essential that farmers deliver barley as soon as possible during this crop year.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my first words must be to thank the minister for heeding the comments I made yesterday with regard to tabling announcements in the House. I thank him for it. However, in dealing with the increase of 10 cents in the initial price for barley I must say it would appear that the amount of barley available to the Wheat Board is such that the board may not in fact be taking advantage of the potential sales. This points up one very glaring fact. Last year the government felt that certain acreages should be taken out of production and as a result asked that the land be left in summerfallow. It is obvious that the government made a mistake in not encouraging barley production at that time.

Mr. Lang: It did.

Mr. Korchinski: The minister suggests the government did so, but the farmers obviously are withholding barley because of their own requirements and because of the price they are receiving. The very fact that in the middle of the season the Wheat Board has taken the step of increasing the initial price indicates that it is not in a position to guarantee delivery of this grain. This is a sad state to find ourselves in. In one year we tell the farmers not to deliver and then, six months after the new crop year has begun, we find we have to use inducements so the farmers will deliver the particular type of grain for which there is a market.

While it is encouraging that a payment is to be made which will be helpful in so far as the income position is concerned, I understand the Wheat Board has not been in a position to make sales on the future market. I understand that the Wheat Board has also announced new quota regulations. That, of course, is another subject.

There are many weaknesses in the proposal which has been presented. One has to do with the amount of grain that will be delivered or the size of the quotas that will be available for the delivery of this grain. I do not wish to go into that subject in depth. I shall only say that the government is in an awkward position in trying to explain why it asked for a reduction in production and now tells the farmers to deliver everything they have.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I think the minister's action is very timely. One could have forecast that action of this type would have to be taken if the Wheat Board hoped to get into position the barley it needed since otherwise the producers simply would not deliver it in sufficient quantities. I believe it also reflects a good, aggressive selling program on the part of the Wheat Board in the last year. It is fortunate for the farmers that the Board did undertake such a program. It is fortunate also, as the previous speaker stated, that we had some good rains last year and farmers planted more barley than might have been expected.

I suggest that the minister might consider there are many farmers who just do not have a quota base in their books for the delivery of barley. The Wheat Board should be considering how it can get delivery of barley in the hands of farmers who did not have barley last year.

I suggest that the minister might also take a pretty close look at the block system. I have had two reports in the last week indicating that grain was called forward, permits were issued and the grain was put in position but the cars did not appear. Whether this is chronic or not I have no way of knowing. But if the minister wants