

Oral Questions

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would hope to be able to inform the House about this fairly soon, because we are moving toward the time of issuing a regular letter to producers about initial prices, probable quotas and, therefore, also market opportunities. I should remind hon. members that the \$3.8 million deficit in the barley pool results partly from the initial price of barley being increased for 1971-72, with the specific object at that time of encouraging additional barley production so that we could go into the market and establish markets which are now paying off at better prices.

Mr. Murta: Mr. Speaker, is the Wheat Board giving serious consideration at the present time to making an initial payment, in respect of barley, of \$1.15 a bushel for this coming year with at least a 40-bushel quota to ensure that we will have sufficient feed grain, specifically barley, to meet export and domestic requirements?

Mr. Lang: Mr. Speaker, for this year the Wheat Board is watching the quota situation and the delivery situation. At the present time there is on hand a significant quantity of barley and of wheat. This has been noted in the House on other occasions in respect of certain elevators being congested. As the spring movement of grain develops with the opening of Thunder Bay, we will continue to see a very rapid movement of barley and wheat, as well as rapeseed, and hon. members can be assured that quotas will be opened at that point by the Wheat Board to enable the farmers to deliver barley at a far greater volume than in past years.

SUGGESTED NEGOTIATION OF PRICES THROUGH UNITED NATIONS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, since the level of prices which has denied the farmers a final payment on barley this year stems from the negotiations that were carried out in respect of grains under the General Agreement on Tariffs and Trade, can the minister give the House some assurance that in the 1973 negotiations we will seek to have prices and grades negotiated through the United Nations rather than under GATT?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the premise of the question as it relates to barley is completely false because, of course, barley was not the subject of an international agreement and therefore was not in any way affected by any negotiations concerning its price. In the case of wheat, of course, it was not the International Grains Arrangement which led to the lowering of the price but, rather, the failure of our chief competitors to adhere to that agreement.

Mr. Speaker: Order, please. I hope we can return to this matter later, but for the moment the Chair will recognize the hon. member for Prince Albert.

WHEAT—REASON FOR LOW FINAL PAYMENT FOR CROP YEAR ENDED JULY 31, 1972

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising out of the questions asked in connection with the final payment, I should like to ask the Minister of

Justice whether the distressingly low, even meagre, final payment made for wheat arose because sales of Canadian wheat in the year ended July 31, 1972, were made, internationally, below the cost of production?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the size of the final payment depends specifically upon the amount of money obtained by the Canadian Wheat Board from the sale of Canadian grain in markets, less the initial price paid to farmers at the time of delivery. Therefore the final payment is dependent directly upon the price obtainable by the Wheat Board. The Wheat Board, in my judgment, did an extremely good job in obtaining the best possible price in a world marketing situation where it had to remain competitive.

Mr. Diefenbaker: I shall not criticize the Canadian Wheat Board, because it was the Conservative party that set it up. I ask the minister to answer the question. Is the low final payment for wheat for the year ended July 31, 1972, the result of the policy of this government of permitting the sale of our wheat below the cost of production? That is the question. The verbose explanation of the minister did not answer it.

• (1520)

Mr. Lang: Mr. Speaker, if the Wheat Board had been left with only the powers given to it by the Conservative government it would have never worked at all, and that is what the colleagues of the hon. member would like to see happen again.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, the minister has given his answer, and the fact that he cannot answer indicates that what I suggested was so. Did not the minister, when speaking in Minneapolis last March 12, say that one of the great difficulties in marketing wheat at that time was that it was being sold below the cost of production?

Mr. Speaker: Order, please. The right hon. gentleman knows, of course, that questions cannot be asked about statements made by ministers outside the House except for questions asking the Prime Minister whether such statements represent government policy. Perhaps the question might be redrafted.

Mr. Diefenbaker: Mr. Speaker, I will try to put it in such a way that the minister will be able to answer.

An hon. Member: Make it really simple.

Mr. Diefenbaker: As of July 31 last, Canada had two contracts with the U.S.S.R. for wheat.

An hon. Member: Question!

Mr. Diefenbaker: The hon. member does not even know what wheat is; he thinks it grows on trees.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In those two contracts, under which 90,100,000 bushels were delivered between July 31 and