

Feed Grains

meant by the free movement of grain. I shall try to explain the position of our party on this whole matter. Part of what I say will be old and part of it new.

Mr. Baldwin: Some borrowed, some blue.

Mr. Nesdoly: I am glad to take part in this debate on feed grains and feed grain policy in Canada. We all realize that the federal government has been floating trial balloons all over Ottawa. If this is not the case, where did all those newspaper reports come from? They did not come from me or my hon. friends. They were to the effect that the government intends to divest the Canadian Wheat Board of its authority to control the interprovincial movement of feed grains, including wheat, and permit the unrestricted movement of feed grains in a so-called free market.

First, I want to point out that the ordinary marketing of feed grains is sacred to the western farmer and that as such it should remain under the control of the Canadian Wheat Board or be subject to some other system of orderly marketing. Any change of policy permitting the free movement of feed grains in Canada without Wheat Board control would prove disastrous in the short run to livestock feeders in both western and eastern Canada, and in the long run it would be injurious to all grain growers. What is at stake is the future of orderly grain marketing in Canada.

I realize that support for removing from the Wheat Board its authority over feed grains is centred in Quebec where the feed grain trade and the feeders themselves claim they have been paying much higher prices than their counterparts in western Canada. We recognize there is some legitimacy attached to this claim. However, we must call attention to the following points:

1. The Wheat Board is responsible for getting the best price it can for the grain it markets on behalf of producers. As far as sales under its control are concerned, it has been doing this, particularly when the government does not interfere with its functioning, as the government has been prone to do from time to time.

2. Grain sold and consumed in the west is sold in the so-called free market at a lower price to the producers, thus supporting our claim that orderly marketing benefits farmers. It should be remembered that these transactions do not come under the authority of the Wheat Board and that the Wheat Board is therefore not to blame for the price discrepancy. The blame rests upon federal policy. The minister responsible for the Wheat Board could remove these inequities by providing for orderly marketing not only between provinces but within provinces as well. The government, along with the Conservative government in 1960 and 1961, must share responsibility for complicity in creating the unsatisfactory situation which has existed in connection with the marketing of grains used for feed within the provinces of the west since feed mills were exempted from the controls imposed in connection with the Wheat Board marketing quota and pricing regulations. This was brought about through instructions to the trade, Nos. 41 and 43, imposed in the 1960-61 crop year by a Conservative government. As a result of that move, farmers several years ago were obtained 35 cents for a bushel of barley and perhaps 40 cents for a bushel of

[Mr. Nesdoly.]

wheat sold to cattle feeders in Saskatchewan, Alberta and Manitoba.

At that time farmers had huge stockpiles of grain on hand; they needed cash to meet their operating expenses and maintain their credit accounts. They were desperate and sold their grain at almost any price. So in that instance, farmers were being exploited in consequence of a regulation passed eleven or twelve years ago. At the present time, of course, the shoe is on the other foot. Farmers receive something like 73 cents for a bushel of barley in the elevator, and I understand that feeders in the west are presently paying close to \$1.35 a bushel for barley because of the short supply. So in this particular instance the feeder is paying a good deal more than he would perhaps be paying if the operation were controlled by the Canadian Wheat Board. Orderly marketing of Canadian feed grains would simply ensure that farmers receive a price which balanced out over a period of years. They will tend to get a lower price in periods of over-supply and a higher price in periods of short crop.

3. The reaction of Quebec farm organizations is shortsighted. It would not get rid of the inequity in prices for feed grains they now experience. It would place the grain traders in the position to control the purchasing, movement and sale of feed grains as between grower and user. They would be able to play off farmer against farmer, to manipulate supplies and prices at will to their own advantage, and to make sure that whatever profitability exists in both the grains and the livestock industry is diverted to them. We in Saskatchewan would like to feed all our grain to our cattle. We would like to finish off the product in Saskatchewan and establish a big meat-packing industry. But, certainly, if there is a surplus of feed grain we would like to share it with other parts of Canada on a fair basis.

I wonder what is going on in the rapeseed market and the flax market at the present time. I have received some juicy letters in the last little while.

Some hon. Members: Explain.

Mr. Nesdoly: I do not intend to read them out, but they are uncomplimentary to a lot of people in this House. Farmers today are getting well over \$6 a bushel for rapeseed at a time when very few of them have stocks of rapeseed on hand. It seems to me that somebody is making a tremendous profit on the marketing of rapeseed and it is certainly not the farmers because, as I say, very few of them have any left. Certainly we do not want to go back to the days of the open market when prices went up and down like a yo-yo and the only people who profited were those connected with the Winnipeg Grain Exchange.

With respect to feed grains, the situation is ludicrous, what with the two-price system for wheat under which the millers are getting wheat at \$1.95 a bushel while the price in the world market, I understand, is \$3.24 a bushel. I found it very humorous, while I was home this weekend, to hear that a hog farmer in Saskatchewan lately bought two carloads of whole wheat flour to feed to his pigs because it was cheaper than the feed he could otherwise buy. Here he was, getting hog feed which was subsidized by the government supposedly to help consumers. Therefore this whole matter of feed grains has to be looked at closely. The two-price system for wheat has to be exam-