

*Supply—Trade and Commerce*

On the average by month, there was only a shade under 12,000 bushels of all types of grain stored there. That is a gigantic cost to somebody. The point I want to make about this flax is this, and I raised this issue with the minister throughout the war years, when the government was spending a great deal of money on crown companies and so on, and in assisting other companies. Whole processing plants were built in eastern Canada where your flax had to be taken east and processed and much of the processed article was taken west again, especially in the matter of feeds for livestock. Since then the farmers themselves have set up an organization and developed a processing plant at Saskatoon. I have been credibly informed that that plant had to close down last summer because there was not sufficient flaxseed and such like materials available in the west, because that flax and processing cereals had been moved east at that time. Naturally the cost would be too much to transport it back west.

Surely, with the grain and with an elevator such as that in Saskatoon, there was a great lack of co-operation somewhere between federal government departments, and certainly a vast waste of money. The building in Saskatoon cost over \$1,500,000 to construct to begin with, and they are spending around \$78,000 a year for administration, and have been for the last five years. They refuse to spend money to develop an industry that should have been developed where practically all of the flax is grown. Some of this processed material had to be shipped back west. I hope the minister can give an explanation of this huge expenditure to take care of the flax for that year. I pointed out what happened to the elevator in Saskatoon, and the lack of material being stored there last year.

**Mr. Howe:** The explanation of this item is that for the crop year 1948 the government guaranteed a price of \$4 per bushel for flax marketed in that year. A very large crop of flax was grown, and while it looked like a safe price at the time it was set—it was a dollar below the guaranteed price of the previous year—suddenly instead of there being an active demand for flax there was no demand at all except for domestic sales, with a very little for export. The result is that the wheat board was not able to market in the year 1948 any more than a small part of their flax crop. Owing to a small crop last year the board is gradually disposing of the surplus. This amount is required to pay the carrying charges on the flax that was taken in, and to write the crop down to its current price of \$3.80.

[Mr. Ross (Souris).]

As for storing flax in Saskatoon, the purpose of the wheat board is to market grain, not to store it. Storing is only incidental to marketing. Saskatoon is not a marketing point for flax, and it was moved to the market. It was the duty of anyone who had a crushing plant in the west to make arrangements with the board to store flax in Saskatoon, or to move it anywhere else, and arrangements could easily have been made. That was done to the extent that the arrangements were made, but nevertheless the board cannot run the business of the crushers. It can only market the farmers' grain to the best advantage, which is the work delegated to the wheat board.

**Mr. Knight:** Is it not true that at the time the crushing plant at Saskatoon was short of flax the wheat board was paying storage for that same flax in some of the large elevators in the east?

**Mr. Howe:** It may be.

**Mr. Knight:** I think the answer is not "may be" but "yes".

**Mr. Ross (Souris):** I would think the same situation is true of wheat. I understand that that elevator has a storage capacity of considerably over 5 million bushels. I say to those people who are very much interested in the Hudson bay route that this would be the place to store wheat as well as flax. There will have to be much more explanation of the matter than that given by the minister. I understand that there were less than 12,000 bushels on the average stored during all of last year in a building owned by the government with a storage capacity of over 5 million bushels. I understand that the wheat board will have quite an item for storage at the head of the lakes. At the same time their own building is standing out there idle throughout the year. There should be some explanation of that situation.

**Mr. Howe:** Mr. Chairman, we are losing export sales on wheat today because we cannot get enough wheat in marketing position. My hon. friend knows enough about wheat to know that marketing positions are Vancouver, or the head of the lakes or an eastern shipping point. Saskatoon is not a marketing point. Any grain stored there would be out of position and would cause that much further loss of export sales.

Item agreed to.

Atomic energy control board—

614. Chalk River project—capital and operating expenses—further amount required, \$200,000.

**Mr. Green:** Mr. Chairman, this item is a vote for the Chalk River project. I am heartily in favour of it, but I would like to