

*Grain*

St. Laurent) on November 5, and in a further statement by myself on November 15, the government has under consideration the question of whether financial assistance to certain producers in the prairie provinces is necessary, and if so, the manner in which such assistance should be provided. I want to emphasize that in the government's consideration of this matter we have recognized a continuously changing position and a continuously narrowing need for temporary assistance.

It was considered by the government and it is considered throughout the prairie provinces that the major problem confronting western producers who have been unable to deliver significant quantities of grain in the present crop year will be met in the distribution of surpluses from the 1950-51 oats, barley and wheat pools. These payments will be completed within a few days and, as I have indicated to the house, have aggregated about \$130 million. We must not underestimate the importance of these payments from the standpoint of improving the cash position of grain producers under the circumstances which have prevailed this fall.

The problem has also changed in that threshing has been proceeding in spite of adverse conditions, and the volume of unthreshed grain has been substantially reduced in the past four or five weeks, particularly in the province of Alberta. When I was in Alberta last week it was estimated that well over one-half the Alberta wheat crop had been threshed, and threshing was proceeding in many areas. In Saskatchewan, where threshing is still going on, 75 to 80 per cent of threshing is completed; and in Manitoba threshing is finished except for an area in the northwestern part of the province. In this respect, therefore, there has been some improvement, although many producers in Alberta and to a lesser extent in Saskatchewan have crops still in the fields.

The position has been changing in another respect. Up until October 25, producers in the prairie provinces had marketed 195 million bushels of grain. As at December 6 they had marketed 291 million bushels of grain, a very substantial increase in marketings over the past six weeks. These increased marketings have been made possible largely through shipments of grain out of country elevators. Up to October 25, shipments of grain out of country elevators had amounted to 150 million bushels. Up until December 6, shipments of grain from country elevators amounted to 241 million bushels. You can see, therefore, that in the last six weeks grain shipments out of country elevators amounted

to 91 million bushels, and these shipments mean more opportunity for producers to deliver grain.

Since mid-October it has been necessary for the railways to concentrate their shipping to some extent at least on stocks of wheat which were most readily available to the lakehead and to the Pacific coast. This was necessary in order to meet urgent export commitments entered into by the Canadian wheat board. On November 21 it was possible for the wheat board to amend its shipping instructions and give a high degree of preference to the shipment of grain from delivery points which had been congested for some time, and to the shipment of tough and damp grain which producers had not been able to deliver in volume to their country elevators. Under these shipping instructions I am quite sure the delivery opportunity of many producers in the west is improving and will continue to improve. When you look at these developments, I think members of the house will agree with me that the need for some plan of interim financing for grain producers has steadily decreased and, of course, will continue to decrease as threshing and shipping of grain proceeds.

While in the west I also had a viewpoint expressed to me by producers themselves that while they have had an unfortunate fall in so many respects, they are able to carry on without difficulty after having experienced a series of fairly good crops and good prices for grain and livestock and livestock products.

In spite of all I have said there are producers who, because of delayed uncompleted threshing, have been able to deliver little or no grain this year, and there are also some producers whose deliveries have been restricted by lack of available storage space in country elevators. Therefore the government feels that a restricted problem does exist, and has decided to make advances available to producers in these circumstances. These advances will be made through the chartered banks. In seeking the proper course of action, discussions were held with country elevator operators in the three prairie provinces. The elevator companies were most helpful in their consideration of the problem, but the government has decided that it would be more appropriate to use existing financial institutions whose business it is to lend money rather than to ask the elevator companies to assume the responsibility of lending money provided under a government guarantee.

Under the plan which the government is proposing the banks will operate under an arrangement similar to the Farm Improvement Loans Act. That is, they will make