

Honourable senators, I wish to thank the house for permitting the motion for second reading of this bill to be made tonight. I have asked that this be done principally because of the fact that a very good friend of mine who cannot be here tomorrow wishes to make a speech on second reading tonight. He has had many years of experience in the marketing of grain, particularly wheat, and even though we do not always agree, I have great respect for his opinions. I am pleased that he will have an opportunity to speak on this legislation tonight.

Honourable senators, I welcome the opportunity of explaining the principle of this bill. I feel it is a measure that will receive the hearty approval of this chamber. No doubt quite a number of questions will come to the minds of honourable senators as I go along, and I would suggest that they make a note of them and ask them after I have finished my explanation.

I do not intend to go into the whole question of marketing of wheat and other grains at this time, but I think I should say a few words about the wheat industry generally. Honourable members are aware that since I came to this chamber, in 1934, I have spoken on the wheat question many times. The growing and marketing of wheat is one of our great industries and has played a very important part in the economic life of Canada. Grain growers of western Canada have created on many occasions \$1 billion worth of new wealth in a single year. I do not need to tell the house what that means to the economy of the whole country. The export of our wheat has earned in many a year the income with which to pay for our imports. If the farmers of western Canada have large crops there is prosperity in every part of Canada; the railways, merchants and wholesalers are busy, and almost everybody is prosperous. If the crops are poor the whole economy is affected and the result is entirely different.

Except for the year 1940-41, or thereabouts, the farmers of western Canada, the producers of wheat and other grains, have been able to market their grain after harvesting and threshing, and with the money received they have been able to pay their debts and buy the supplies needed to carry them through the winter months. But commencing around 1950, and for seven years after that, large surpluses of grain, particularly wheat, have been building up on farms, in country elevators and in terminal elevators. As a result of the congestion the producers have not been able to sell their grain and so have not been

able to get the necessary funds to carry on. Perhaps I will be excused for giving some of the reasons. First, is the loss of former markets and the reduction of exports; second, increased productivity per acre; third, larger average crops; fourth, subsidized competition of other countries; and fifth, give-away programs of other countries. There may be other reasons, but these are the principal ones why we have built up such a large reserve of wheat and other grains.

The present situation as to wheat is something like this. There are 400 million bushels in country and terminal elevators and in transit, and there are 300 million bushels in storage on farms. The 1957 wheat crop amounts to approximately 350 million bushels. If you add those figures together you will find that at the beginning of September, say, we had on hand slightly more than 1 billion bushels of wheat. Practically all that wheat was grown and produced in the Palliser Triangle, an area which was once considered to be unfit for the successful growing of wheat or any other grain. I might add that from 30 to 50 million bushels of that wheat were grown on farms located in the district from which I come.

I should like to say a few words about the disposal of wheat and other grains in the crop year 1957-58. It is estimated that 150 million bushels of wheat will be used in Canada and that 300 million bushels will be exported. That will account for a total of 450 million bushels, and if this estimate turns out to be correct we will have used up 1 million bushels of the old carryover before the end of the crop year 1957-58, on July 31, 1958. However, at present the elevators are full and the farmers are unable to deliver much grain, so they have no cash to pay their taxes, to meet their harvesting expenses and store bills, and provide themselves with the necessities for the coming winter.

This bill proposes to do something about that situation, but before I go into that I want to explain just how wheat and other grains are marketed at the present time. I think it is necessary to have an understanding of that in order to appreciate the remarks I intend to make.

All wheat, oats and barley must be sold to and marketed through the Canadian Wheat Board, except local sales of seed grain and feed grain, and the like, which can be sold locally if the producer can find a buyer. In view of the congestion in the elevators the Wheat Board has seen fit to provide each producer with what is known as a permit book or quota book. When the producer takes a load of grain to the elevator he produces his quota book, and if there is room