

PRIVATE MEMBERS' MOTIONS

[English]

All items preceding No. 7 allowed to stand by unanimous consent.

GRAIN

PRODUCTION COSTS SUGGESTED AS BASIS FOR FLOOR PRICES

The House resumed, from Friday, June 27, 1980, consideration of the motion of Mr. Schellenberger:

That, in the opinion of this House, the government should consider the advisability of setting floor prices related to costs of production for cereal and oilseed crops one month before planting in order that farmers may be provided adequate returns to ensure sufficient production to meet Canada's domestic and export needs.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this motion does not really have to be debated. It was introduced in the House two years ago, but the session has been so long it has come up again. Since the mover and the seconder of the motion have already spoken, they have asked me to explain the background of it. Hopefully, all parties, as I think they did the last time, will agree that it should be allowed to go through and be considered in committee.

As read by Mr. Speaker, the motion concerns a very simple technical decision which must be made each year by the Canadian Wheat Board. In effect, it asks the government to consider making it mandatory for the Canadian Wheat Board to do this one month before the commencement of the planting of crops. Approximately eight times out of ten the announcement is made one month before seeding, but every so often, whether the Canadian Wheat Board goes to sleep or the Minister in charge of the Wheat Board goes to sleep, it is not announced. This causes considerable worry and strain for persons trying to decide what crop to seed that year and particularly whether they will get back their money if they sow a particular crop.

This is not a political matter or a matter of philosophy. Simply it is a request of government to let the Standing Committee on Agriculture consider the possibility of including a direction to the Canadian Wheat Board from Parliament that we would like it to do this one month in advance of seeding time, which is roughly the middle of April. It is very simple. The House should not have to listen to an hour's debate. It is simply a request of government to consider this, which means putting it before the standing committee to let it decide.

I hope by the end of my remarks that this matter could be checked out by someone on the government side who knows something about it. Technically the matter comes under the jurisdiction of the Minister in charge of the Canadian Wheat Board who, by our custom, is not allowed in this chamber; he sits in the other place. Therefore, it really falls on someone in the House to listen to the message in this motion and to support it. As I have just said, there is nothing to it. It is just a matter of making formal what the Canadian Wheat Board does anyway.

Grain Prices

I should like to give the background of this motion. This debate gives me the opportunity, which I personally appreciate, to put on the record the importance to Canada of having made the decision 47 years ago to put western grains under some form of organized marketing that did not take control away from the farmers. It was simply an organization to set the price; that is all it does. Then it turns this monopoly on the right to sell it, which Parliament gave to the Canadian Wheat Board, over to private enterprise to sell.

The only thing we have is a board which meets every day to look at the world situation and to set the price. There is another division which looks after the movement of grain around the country and tries to persuade the railways and the grain companies to do something—to make money, but essentially it has only one function—to set the price. We have collected the brains of all the universities and all the public servants who sit there every day to decide what the supply and demand are like in the world and to set the price. The practice has been, over the last six to ten years, for them to simply look at the newspapers to see what speculators are doing with the wheat price down in Kansas, Chicago or Omaha. They have to be literate and able to read the prices set in United States markets. Then they announce the price for which Canadian grain will be sold the next day.

I should like to refer to the importance of the Canadian Wheat Board. One way of setting price is to announce it daily for any sales actually consummated on that day, but at the beginning of the year the Canadian Wheat Board has to announce the initial price for every bushel of grain grown and delivered in the coming crop year. This initial price is like a downpayment. Farmers want to plant in the middle of April, to harvest in August, and to get the grain into the elevator. When they deliver it to the elevator, they receive a downpayment or a partial payment on the grain. Before farmers plant they are able to produce several crops. They know roughly what it will cost to produce each type of crop, and they like to know what price, roughly, they will obtain at the end of the year. The initial price is an indicator to them of what the Canadian Wheat Board thinks is a safe level so that they will not lose any money. Technically the announced initial price is not a floor price, but in reality it is because farmers are given money the minute they deliver the grain, even though the grain may not be sold for another two years.

When all the grain is sold, all the figures are brought together into a pool and averaged out. After the costs are taken off because farmers pay for everything, then the board makes a final payment about a year and six months or a year and eight months after the grain was actually grown. This system has worked for 47 years. It is slow, but it satisfies the great majority of farmers. They will all get the same price for the same grain, plus or minus the cost. Since this system has worked for the last 47 years, why should we be concerned about the timing of the price announcement? As I said, the farmer would simply like to have an indication of what the best