

tion have increased substantially. Although there has been some improvement in the movement of barley since that time, both these grains are in a heavy surplus position.

● (9:40 p.m.)

One needs only look at production figures over the past decade to realize that our farmers have certainly solved the problems of production. However, when we turn to problems of merchandizing, transportation and distribution, an area in which the government should be deeply involved, we find we are barely out of the horse and buggy age. We were hamstrung initially by the inflexible marketing policy laid down by this government under which there was insistence on maintaining the IGA price long after our competitors had abandoned it. West Germany and Great Britain have been requesting a guaranteed protein content for the past six years but we have been content to continue a grading practice which is at least 30 years old.

This cavalier attitude toward the wishes of our customers, along with a determination to hold up the price of wheat in a buyers' market, has contributed to our loss of sales in traditional markets. At the best of times we must be competitive in price and quality, but in times of surplus we just cannot afford to be inflexible.

A recent article in the *Globe and Mail* had this to say with regard to our grading system:

Canadian wheat has been losing sales on the London market for reasons of quality and price, according to a consensus of dealers and millers... A wheat board delegation spent nearly a week in London, assessing prospects in a market traditionally among Canada's best but which has been deteriorating over the past eight years.

The basic point to emerge from talks with the buyers and millers is that Canada's wheat export program has not adjusted to meet the changing demands of this market.

As a result, competitors—the Soviet Union and Australia—have been selling higher quality wheat at lower prices. Canadian sales have declined, though not drastically.

An explanation was offered in these words:

Canada was strongly criticized for being "the leading light for pressure to keep IGA prices at unrealistically high prices." In 1967, the Wheat Board was stuck with unrealistically high prices because, for political reasons, initial payments to farmers had been set too high.

Our farmers have demonstrated beyond doubt that they can produce a great variety of crops effectively. Farm production has

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increased by more than 50 per cent in the last 20 years and this has been achieved by an agricultural labour force which has fallen by half in the same period. Unfortunately, our distribution and marketing system has failed to keep pace with this advance in production; it has changed very little in the last 20 years. Though our competitors have adopted protein content as a grading criterion, we still sell by bushel weight and colour.

The requirements of our customers have to be met, and we can do it because we still grow the best wheat in the world. We need to up-date our grading and to modernize our distribution system, including our port facilities, particularly on the west coast. We must do something about labour problems which have hampered the free flow of grain to customer countries. Lastly, we must try harder to meet competition. We must get out and sell. These things need to be done as quickly as possible if agriculture is to share the fruits of an affluent society.

In all fairness I would add that the minister's scheme is not without some compensatory features. It will provide employment for an army of inspectors who will be required to check wheat acreage and summer fallow against the quota books. It may help some of the larger farmers who will receive the maximum for summer fallow and be enabled to double production next year. But it will do little to alleviate the financial problem of the average farmer whose crop production is more diversified, particularly in areas where wheat production was already reduced by 26 per cent last year.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, in the few minutes which remain before the usual hour of adjournment I should like to do something which the opposition often prevents my doing, that is, make a completely non-partisan speech—

Some hon. Members: Oh, oh!

Mr. Olson:—outlining the steps which have been taken so far and the steps we intend to take, so that there may be the maximum exposure of that information to the people who will be affected, namely, the permit holders in the designated area under the Canadian Wheat Board. Perhaps I could begin from the position which was taken last Friday when an announcement was made to the House. I recommend to hon. members on both sides that they read with attention the statement made by the Minister without Port-