

Wheat Acreage Reduction

affecting wheat exports have been the cultivation of improved varieties of short-season rice and the trend toward double and triple-cropping. This trend has been evident for a good many years; it has been encouraged for economic, technical and political reasons, but awareness of this development in Canada has been slight due to the separation of our marketing arrangements from the productive end of our agricultural system.

Along with increased acreage under production there has been a large increase in yield per acre. The average yield of wheat throughout the world has increased by 29 per cent; in Mexico the increase amounts to 200 per cent. This improvement has been going on slowly over the years. Again, almost all countries operate some form of price support, incentives and so on to obtain a specific objective. Tariffs and various restrictions imposed for this purpose make it very difficult for Canadian wheat to penetrate these markets.

The demand for feed grain is the fastest growing in the export field. Exports increased from 13.6 million tons in 1935-39 to 42.4 million tons in 1967, a growth of more than 300 per cent in 30 years. Unfortunately, Canada does not share in this market. We exported 73 million tons in 1935-39, increasing only to .78 million tons in 1967-68. In 1935 our share of the market amounted to 5.3 per cent but in 1967-68 it was only 1.3 per cent.

A large carryover in wheat is evident in all export nations as well as surpluses in countries that normally are classified as importers, such as Spain. As of July 1 the United States carryover was 810 million bushels, Canada's was 848 million bushels and Australia's was 250 million bushels. So our Prairie grain economy is in serious trouble indeed. It will require the best efforts of all to cope with the problems and to seek solutions. It is imperative that our Canadian program be developed and operated in terms of the real world and in such a manner as to allow us to compete. Our commodities must be competitive in quality, availability and price in order for us to sell our grains in world markets.

What does the government propose to do to remedy the situation? There is to be a payment of \$6 per acre for summer fallow and \$10 per acre for seeded grass. In addition there is to be a severe restriction in quota deliveries. The government has indicated that it believes and hopes that 22 million acres will be taken out of wheat this year. This

[Mr. Ritchie.]

seems a bit impractical, and the initial reaction in my own riding has been mixed. I found few who felt that this would begin to solve the problems of overproduction of wheat.

Indeed, Mr. Speaker, it seems likely for various reasons that, at least over vast areas of western Canada, there will be little reduction in wheat acreage. Nearly all the farmers have indicated that they are likely to carry on much as usual; that they would sow as much wheat as they could reasonably expect to get rid of on their quota. The farmer must of necessity carry on as best he can under all circumstances.

If the government is afraid that the \$140 million that would be paid if all acres that qualify were put into summer fallow, the Minister of Finance (Mr. Benson) can rest assured that the farmers will not require nearly that much. It is more likely to be less than half that amount, and could easily be much less. The program is likely to have only marginal effect. Certainly, it seems that if there is an average crop in the west, next year will see as much wheat grown as we will dispose of at home or in our export markets. The program shows little imagination, and then only in the minds of the bureaucrats who are giving advice to the Minister without Portfolio (Mr. Lang). The larger problems remain. The only real solution is to sell more wheat or to diversify and sell the products as feed grains.

Dr. Irvine, director of the Board of Grain Commissioners, stated that the Canadian Wheat Board is losing out to Australia, the United States and the Soviet Union in sales because we do not sell wheat on a protein basis. Our sales to the United Kingdom have dropped from 78 million bushels to 55 million bushels due to the advent of new baking processes which are spreading to all western Europe. It is important to the British millers to use a high guaranteed protein wheat so that the wider use of home-grown, low protein wheat can be made. Some millers indicated that unless Canada supplied high grade protein wheat, they were not interested in Canadian wheat.

The same story is true all through France, Germany and other areas where a high percentage of bread flour grist is made up into low protein domestic soft wheat. This is also true in other markets in Africa, Asia, the Caribbean and many Latin American countries. Dr. Irvine concluded that Canada can