

sumably, this bill in some small measure will assist our food production but I doubt if it will solve all the problems or if it will be our best contribution to the world. It has long been my opinion that the world can only feed itself on what it can produce in its worst crop year. Furthermore, if the situation continues as at present, there will almost certainly be severe crop shortages in various parts of the world and perhaps in the whole global village in certain years.

● (1530)

Much has been made of the possibility that food production could be increased without end to feed the world's population. To me such a possibility seems very remote. We have heard from many people about the green revolution and about how new varieties, fertilizers and tillage methods would gradually increase world production, particularly of the stable grains that are dealt with in the amendment. But already there are serious doubts about many of these optimistic projections. Many of the new varieties of grain, drawn from their ancient ancestors on the banks of the Euphrates, have proved susceptible to the changed climatic conditions. Plant scientists are again warning us that many of the new varieties do not do well if climatic conditions are not right, and there is a tendency to return to the more hardy but lower yielding varieties.

Then, again, the proponents of the green revolution felt there was unlimited fertilizer available at low cost. But again this is proving doubtful. The rapid rise in oil prices has greatly increased the cost of nitrogen and, indeed, has made it unavailable in many parts of the world. Many people now doubt the value of synthetic fertilizers and some are advocating the return to natural farming. This means curtailing production to some extent.

These amendments would help to stabilize our grain production on the prairies, but in my opinion it would not be a good thing to use prairie grain as an international tool to be used politically by the government. We can only assume that the appointment of the deputy minister of agriculture, a person not versed in agriculture but who has had a long career with CIDA, was made with a view to using the export of food as a political tool. As the only food Canada exports is western grain, obviously that industry would be affected. Madam Speaker, I would caution against the use of food as a political tool.

Many people in Canada and in this House feel that the western grain industry can produce any amount of food to be used in a political way. We have read the grandiose ideas in the newspapers about producing food, but grain is the only large-scale food export of this country. The United States is adopting a governmental "hands off" approach to agriculture—and that is a country with an enormous capacity to produce everything from widgets and matches to aeroplanes—but it is still expecting to export \$17 billion worth of food in the coming year. Food is one of its main foreign exchange earners.

On the other hand, Canada seems to be going the opposite route. The dairy industry is almost completely closed at the border, and the egg industry is fast approaching this situation; the institution of quotas on American eggs will have to be met by quotas on Canadian eggs at the United States border. The border is now closed to cattle and hogs.

Grain Advance Payments

This will have an effect on the administration of this bill. As it was to protect the Canadian producer, in the first place, that the ban on American imports was raised, it now seems that it would not be in the American interest to lift the ban on Canadian exports of cattle and hogs until the Canadian cattle population drops, perhaps in a couple of years.

Madam Speaker, in speaking on this bill I think we have to take care that the grain industry does not get into the position, in its export markets, where it becomes a political weapon, or that we do not have any grandiose ideas that Canada can somehow feed the world on a welfare basis. We should make sure that our grain exports get to our markets before embarking on any great CIDA programs. The concern of western grain growers cannot be any more highlighted than by statements from Mr. Ivan McMillan, president of the Palliser Wheat Growers' Association, who has said that the 1974-75 export year has been a disaster and that growers have lost millions of dollars not only in terms of lost sales but in added storage, interest and demurrage charges and what may very well be permanently lost export markets.

In the Palliser submission to Chief Justice Bayda in April, 1975, it was estimated that we would have a carryover of 400 million bushels of wheat at the end of July, as opposed to the Wheat Board's estimate of 230 million bushels, and a shortfall in sales of 170 million bushels. Assuming that these 170 million bushels can be sold later—and this is not assured—the cost of carrying it has been worked out at \$20 million, interest \$54 million, and if there is a price drop of \$1.50 or \$2 all this would come to a total of \$261 million. As it is unlikely that these 170 million bushels will be sold, we are looking at a loss of close to \$1 billion. With the balance of payments deficit running at \$5 billion or \$6 billion, I am sure the Minister of Finance (Mr. Turner) would be glad of that extra \$1 billion for his budget.

The grain trade is reliably estimating that because of our inability to deliver on this year's contracts we have lost 20 per cent to 25 per cent of the Japanese market, up to 50 per cent in the United Kingdom and substantial reductions in our China market. With the initial prospects not being very promising, initial prices are down at the old level of some years ago and the outlook for the grain producers is not all that rosy. Indeed, if prices on world markets do not improve for wheat, with the increase in the input costs of fertilizers, herbicides and all the rest, grain farmers will be back to the depression of 1968-70.

The Canadian export performance in the past year was very disappointing. The farmer did his part by producing the grain, even in the face of very difficult weather, but the handling system broke down. No small measure of this breakdown can be attributed to the inept handling by this government of the grain handling strikes. I am sure that the Minister of Finance would like to have had the \$260 million worth of wheat that was not exported and which, if it had been paid for, would have brought us another \$1 billion. It is time this government applied itself to the problems of our transportation system so that we can get the grain out on time and meet our commitments, because we are losing our reputation in the world as a reliable grain exporter.