

*Canada Grain Act*

yields in the United States have been increasing at an annual rate of about 2.0 bushels per acre, whereas wheat yields in Canada have been increasing at a rate of only 0.2 bushels per acre.

This represents exactly the type of competition we will be facing in those areas which will not immediately receive the benefits of this program. At the present time the Agricultural Committee is studying the very serious problem which exists in respect of depressed prices of feed grains. We find that barley prices are depressed. I have a quotation from the Regina *Leader Post* of April 11 in respect of a James Richardson and Sons newsletter. It reads:

• (9:20 p.m.)

The Commodity Credit Corporation in the U.S., as expected, accepted bids from exporters of around 57 cents a bushel f.o.b. Duluth-Superior for a little better than 5 million bushels of barley.

With a price of 50 cents a bushel it will be very difficult for these people to realize the effect of these changes. To some extent there is a glut in respect of barley and oats. Something like 3 per cent of our export trade is in feed grains. I have a clipping here from the Edmonton *Journal* of February 3 under the heading "Barley future 'uncertain'". In other words, in addition to the uncertainties and the problem we are studying before the Agricultural Committee today, we are also involved in the problem of feed wheat or any other grain that it may be necessary to grow in this particular area. I believe this situation will be very difficult for many farmers to understand until a government program is devised to provide for their needs.

It will surely appear to these farmers that the reduction the government desires will affect them mainly. There can be some manipulation as a result of bookwork. For example, if we take out the area known as the Palliser triangle, it is interesting to note that if the 13.5 per cent protein rule were applied, Canada's wheat acreage would have been cut from 25 million acres to 18 million acres in 1968. This 73 per cent of the 1968 acreage would have produced 373 million bushels of wheat or 70 per cent of the 1968 total of 533 million bushels.

So with this type of arrangement the government could conceivably some day make the statement that it had solved the bread-wheat problem. But what really is the situation? Another problem has been created in the process because until now not enough attention has been focussed on this situation. Special consideration, once this legislation has

been implemented, must be given to the people who will be excluded. It will be difficult for some people to understand how anyone in that area can compete with people in tropical areas where there is plenty of rain and sunshine, and be expected to produce yields when there is no research in respect of our weather conditions. In some tropical areas several crops can be grown in one year, while we are limited to a season.

For the benefit of those who may be interested in what is known as the Palliser triangle, I should like to explain the situation. It is bounded by a line running almost straight north from the U.S. border to just north of Edmonton, and then roughly it follows the main line of Canadian National Railways through Saskatchewan and into western Manitoba. From there it drops sharply to the U.S. border again. All areas outside the line—the Alberta foothills, the Peace River Valley, the Saskatchewan parklands and most of Manitoba—averaged less than 13.5 per cent during the 40 years in the period in which the study was conducted. Manitoba will be particularly hit; only about 30 per cent of its wheat will be particularly hit; only about 30 per cent of its wheat will be in the protein area.

One can see the effect this legislation will have on Manitoba. The bill contains no provisions for adjustment. There is no provision in respect of the types of feed grain, and so on. There is no provision for a storage payment to farmers to provide some income during the period in which the grain is held until called forward by the board. Naturally, there will be a holdback by the board; the grain will have to be held for a certain time for blending purposes.

There is no provision in the bill in respect of the complex storage facilities which will be necessary for the blending of protein grades, and so on. I can visualize a situation at the terminals where 14 per cent protein grain can be obtained by combining 1,000 bushels of 15 per cent protein grain and 1,000 bushels of 13 per cent protein grain. In fact, I suppose, this is one way of doing it. I can imagine the amount of bin space that will be required. There is no provision in this regard. It will be necessary to reconstruct the whole elevator system if we are to provide storage at elevators. The government will have to come up with a system to haul grain to the inland terminals or provide terminals somewhere else. I suggest the adjustment should be made wherever it will be most helpful. Research