

*Deliveries of Grain to Feed Mills*

government has a responsibility for carrying on the affairs of this country and that it should give a lead on questions of this kind. If any useful work is to be done by the committee, it cannot be done without some kind of guidance.

**Mr. Hazen Argue (Assiniboia):** Mr. Speaker, this resolution may at first glance appear unimportant and innocuous. I find it is an exceedingly disturbing one that could lead to the beginning of a break-down in the orderly system of marketing grain that has been built up over so many years with such great effort by producer organizations and by producers themselves in co-operation with a number of provincial and federal governments.

For those who are not acquainted with the wheat board system of marketing grain and the shipping of grain to mills that presently have agreements, I would like to explain that in the three prairie provinces, in order to deliver grain to an elevator marketing point, such grain to be subsequently exported out of the province, overseas, or processed in the province through mills that have agreements with the wheat board, the grain can be marketed only on permit books which cover the land on which the grain has been grown.

This has made it possible to provide an orderly system of marketing grain. Although I have complained from time to time about discrimination or unfairness in the quotas that apply as between various marketing points, I have never, and I hope I never shall, criticized the principle of quotas and permit books. I am in favour of the wheat board having control over the assembling, storage, buying and selling of grain as defined in the Canadian Wheat Board Act.

Many producers who are acquainted with this operation, to say nothing of people who know very little about it, are often highly surprised to find that the total cost of operation of the wheat board per bushel of grain has been in the past one half cent or up to two thirds cent per bushel. In other words this is an extremely efficient operation that has provided a measure of stability and fairness to the western producer whose grain is covered by this act.

As the minister said, the act does not apply to everyone in every single transaction. It is legal under the Canadian Wheat Board Act, and as far as I know under all prevailing provincial statutes, for one farmer to sell grain to another, for the purpose of feed or seed, outside the wheat board permit system. Further, as I understand it, it is legal for a farmer to sell to any person within the province his grain or any part of it at any price he sees fit. The only limiting law is that the grain

purchaser is not at liberty to resell the grain in such a way that it goes through under a marketing permit. Therefore, as the minister pointed out, there are certain feed plants as well as innumerable livestock feeders and other people who from time to time wish to buy and sell grain, who have been purchasing grain in a legal manner directly from the producer.

What happens when this is done? Almost invariably the person or company purchasing the grain takes advantage of the surplus position and the shortage of cash on the part of the producer, and buys the grain at a cheap price. I know businessmen and farmers who may be engaged in the feeding of livestock as a side line who have done nothing to conceal this fact, and as a matter of record they have been very open in advertising for this kind of grain at prices as low as 60 cents per bushel for wheat, which is approximately half the regular initial price for No. 2 wheat in western Canada.

This means that the farmers who must sell their grain at discount prices receive only half what the product is worth. As the minister has implied this undoubtedly is a well-directed campaign organized by the Canadian feed manufacturers' association to escape the provisions of the Canadian Wheat Board Act, and therefore the existing provisions of the law, so they can buy grain from producers at prices, as they state in their request to the minister, governed by supply and demand. That means only one thing, prices lower than the current wheat board marketing prices.

If the agriculture committee should bring forward a decision recommending changes in the act along the lines suggested it would mean a direct bonus from the grain producers to the feed manufacturers. It would mean the feed manufacturers have been given the legal right to chisel grain from the hard-pressed producers at as low a price as they can establish. With a tight money and surplus grain condition this could mean disastrously low prices for grain.

The effect of these proposals is that steps would be taken to reduce the total amount of money paid to grain producers. This reduction would be a direct benefit to the feed manufacturers. I find this a very disturbing move. While I am in sympathy with the reason behind the suggestion of the hon. member for Bonavista-Twillingate that there should be some evidence of government policy, I would hope that this motion and the request that the agriculture committee study the matter is not an indication, as I am seriously afraid it is, that the government is going to take a lenient attitude toward this request and open up the