

Let it not be overlooked, however, that during the four years which ended on July 31st last, western producers were able to deliver to the Canadian Wheat Board considerably more than the equivalent of four average crops.

Look at the figures. In the crop year 1951-52 western producers delivered to the Board 455 million bushels of wheat and 737 million bushels of all grains, in 1952-53, 536 million bushels of wheat and 844 million bushels of all grains, in 1953-54, 397 million bushels of wheat and 608 million bushels of all grains and in the crop year which ended on July 31, 1955, 320 million bushels of wheat and 524 million bushels of all grains. This is an average of 422 million bushels of wheat per year marketed by producers over the whole four-year period. If to these deliveries are added disappearance on farms, it will be seen that western farmers have been able to dispose of the equivalent of a Prairie crop of 495 million bushels of wheat per year, which, as you know, is well above the long-term average output.

Even last year, which was in some respects disappointing, producers were able to deliver not only as much grain as was produced last year, but were also able to reduce farm stocks by 100 million bushels of wheat, and 100 million bushels of other grains. In other words, if there had been an average crop this year, rather than another "whopper", the situation which now confronts us would have been very different indeed. On the whole, however, I still find it difficult to believe that a good crop is a calamity in western Canada.

All the grain produced this year cannot be delivered during this crop year. But I am hopeful that producers will be able to deliver before the end of the current crop year the equivalent of a better than average crop. The remainder will have to be stored on farms until it is needed, providing a most valuable reserve against the time when below-average crops are produced here or elsewhere.

The second main reason for current marketing difficulties is the surplus disposal activities of the United States. Canada and the United States are very good neighbours. I doubt whether history records any other instance where two peoples have lived side by side in greater harmony. I do not think that either country would embark upon policies with the deliberate intention of harming the other. Many of those present will remember the speeches made by Mr. Ezra Benson, United States Secretary of Agriculture, in Western Canada just a few months ago, when he gave assurances that the United States would pursue fair practices in disposing of surpluses.

Let me outline, how, in fact, the United States does attempt to dispose of its wheats on world markets. First, it pays a straight subsidy on all exports, in order to bridge the difference between prices in the United States and world prices. This subsidy varies from time to time, depending upon prices at home and prices abroad. Secondly, the United States sells wheat for payment in the currency of the buyer. The proceeds of sale are usually left in the buying country, either to be used by the purchasing Government for some purpose approved by the United States Government, or in some cases to be converted into dollars several years hence. At the present time, for example, a deal is being worked out with Brazil for a 40 year credit payable in Brazilian currency. I do not think it is unfair to say that in most cases the United States will receive in payment only a small fraction of the selling price. In other words, this is a form of foreign aid, rather than a method of sale.