

Prairie Grain Advance Payments Act

an example, let us look at what happened last year. A little over one year ago, the world supply of wheat was approximately 3 billion bushels. Our supply of wheat in Canada, if we added what we had on farms, at the terminals and in elevators, was approximately 1.5 billion bushels, half the world's supply. Why did the government introduce a program to cut back on wheat production? We had half the world's available supply of wheat, yet we produce only in the neighbourhood 15 per cent of the world's production. Something is definitely wrong with our selling program.

• (3:40 p.m.)

Mr. Horner: Hear, hear!

Mr. Stewart (Marquette): Look at the feed market, Mr. Speaker. A little over one year ago our share of the market was down to around 2 per cent of the total world market. We saw barley prices drop approximately between 20 and 23 cents in one day. The price of barley dropped so low that, to get back into the market, the government started selling our grain at fire sale prices. To fulfil our export commitments this spring, the government had to raise the price by ten cents a bushel because farmers could not afford to deliver barley to elevators. They were farther ahead selling it to feed mills for 85 cents a bushel, which was far more than they would have received at the elevator, even if they included their final payments.

While we are talking about marketing may I ask, what do we do, for example, with regard to the beef market in Japan? I understand that beef in Japan sold for as much as \$5 or \$6 a pound retail. Is there no way that we can enter this market and sell for \$2.00 a pound to develop this market? No mention has been made of this.

I became alarmed last October, on reading the monthly economic report of the Department of Agriculture, to learn the Minister of Agriculture (Mr. Olson) had announced that Canada had become a net importer of agricultural products. We are supposed to be an agricultural producing nation, and the minister made a statement like that. At the same time, the government has told many farmers in western Canada not to grow grain and to try to diversify. Instead of bringing forward legislation like this, which is to amend the Prairie Grain Advance Payments Act, the government ought to be telling farmers well in advance of seeding what crops they ought to grow and what their market expectations are. More effort should be put into market research and giving the farmers some guidance. They should know in what direction they are heading. This government has not told our farmers the direction in which we are headed at present.

Another thing that has bothered me has been the Canadian Wheat Board. We all approve of the principle of the Canadian Wheat Board, yet how effective have they been in the last few years so far as marketing is concerned?

An hon. Member: There has been government interference in that area.

[Mr. Stewart (Marquette).]

Mr. Stewart (Marquette): Yes. I sent a questionnaire to every farmer in my riding. One of the questions was, "Are you pleased with the performance in the past year of the Canadian Wheat Board?" I was surprised that the majority said they were not. At one time every farmer in western Canada was well satisfied with the Canadian Wheat Board. At present, because of government interference and government policies, the hands of the Wheat Board have been almost tied, which has made it next to impossible for it to pursue aggressive selling programs. My main point is this: instead of bringing forward legislation like this dealing with cash advances—and we all realize that farmers must have operating capital, although in the past money and credit have been too easily available for farmers—the government should tackle the root of the problem and pursue aggressive marketing policies. The sooner the government realizes this, the sooner will the situation in western Canada be corrected.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, one particular aspect of this legislation has not been dealt with and I should like to cover it briefly. In this bill, as in other bills, we can see that the entire program of the minister in charge of the Canadian Wheat Board is aimed at reducing the amount of grain in commercial storage. How do those remarks apply to Bill C-239? If we are to reduce the grain in commercial storage to between 200 and 250 million bushels, as projected, that means automatically that more grain will be stored on farms. You cannot have it any other way. Farmers harvest grain only once a year, normally in the fall. In Alberta, rye is handled sometimes in July; yet, basically, grain is harvested in the fall, although some is harvested in the spring. Since all grain cannot be sold in the month in which it is harvested, some of it must be kept in storage. If the government is introducing a program to reduce the amount in commercial storage, it follows as night follows day that more must be stored on farms. If more grain is stored on farms, we must ascertain how this can best be done to the advantage of farmers. In other words, how will the farmers benefit most financially?

The minister said the old cash advances legislation was designed to encourage wheat production because it allowed a cash advance of \$1 a bushel, interest free, on grain supposedly stored on the farm. The minister said that this was wrong, and the government thereafter allowed only 70 cents per bushel for barley and 40 cents a bushel on some other grains. He said, as reported at page 5491 of *Hansard*, that the prices are related, (a) to the initial price paid to the grain and, (b) to the amount of deliveries or expected deliveries of any particular commodity. Although the minister has said this, we are asked to pass legislation which says little except, "leave it to the governor in council". Under clause 7, the governor in council can determine what cash advances will be made for the various crops. They will determine when that amount is to be made available. In other words, in one month you might get a cash advance of \$1, and in the next month you might get only 50 cents. In the month