

## HOUSE OF COMMONS

Wednesday, February 25, 1959

The house met at 2.30 p.m.

### GRAIN

#### WHEAT—ANNOUNCEMENT OF INTERIM PAYMENT ON 1957-58 CROP

**Hon. Gordon Churchill (Minister of Trade and Commerce):** Mr. Speaker, I wish to make a statement in connection with the 1957-58 pool account for wheat. The Canadian wheat board has submitted a report dealing with the financial position of this account, indicating it to be in a surplus position at the present time. The board has advised that it is possible to make an interim payment to producers and the government has, accordingly, authorized a payment of 10 cents per bushel on all grades of wheat except the top grades of durum, upon which the interim payment will be 15 cents per bushel.

Producers delivered a total of 376.9 million bushels of wheat to the 1957-58 pool. Taking into consideration the higher interim payment rate for the top grades of durum wheat, the payment will provide for the distribution of \$38.8 million to western producers. The distribution of cheques will be commenced by the board within the next two or three weeks.

A special word may be required with regard to durum. There is a limited export market for durum wheat, at the present time confined largely to Switzerland and Germany, and the very large production increase experienced in recent years has resulted in a surplus position of durum in western Canada. This surplus has developed at a time when world demand for durum has decreased in relative terms because of improved production in consuming countries as well as increased production by other exporters. As a result the premium price commanded by durum has steadily declined in the past two years.

Up until the present crop year special delivery privileges were granted for durum wheat, but since the beginning of August, 1958, marketings of durum have been under regular specified acreage quotas. In addition, the initial payment rates for durum wheat are now at the same level as the initial payment for the corresponding grades of hard spring wheat. Both these factors reflect the marked change which has taken

place in the past two years in the marketing potential for this type of grain.

Producers are aware of the changed conditions, and in 1958 reduced durum acreage by over 50 per cent. In spite of this, production last year was in excess of a year's commercial requirements and added to some extent to the existing surplus. The higher rate of interim payment being made for the top grades of durum, therefore, reflects marketing conditions in the past rather than the outlook for the future.

**Mr. W. M. Benidickson (Kenora-Rainy River):** Mr. Speaker, I think the house will welcome the announcement made by the minister, coming as it does at this season of the year. I believe it is well in advance of some other years, and certainly the payment is up to average. At a later time perhaps we might be able to hear from the minister as to the progress that is being made in the utilization of the increasing surplus of storage facilities that I believe has become available over the winter months, so the quota restrictions will not be as severe as those in force in other years.

The distribution of this amount of money will, of course, be welcomed in western Canada. The minister indicated that the wheat board would be able to commence to process payment within two or three weeks. Has he any indication as to just how long it will take to complete the job?

**Mr. Hazen Argue (Assiniboia):** This is an announcement that has been made for a great many years, namely the provision for an interim payment on wheat. In very recent years the interim payment has been of the same amount as has been announced, namely 10 cents per bushel. This is just half the 20 cents interim payment that had become the pattern for a great many years after the war. No matter what the size of this payment, it can be said, Mr. Speaker, that prairie grain producers support the Canadian wheat board system of marketing their wheat, oats and barley.

There may be a feeling, there is a feeling, that this payment should have been supplemented by a deficiency payment, and by means of a deficiency payment made substantially larger, but that does not constitute a quarrel amongst prairie grain producers with the wheat board system of marketing grain. I express the hope that it may be possible to