

Wheat Board Act

year, which happened to be the same year as the crop year. That created a sudden additional final payment in the year, and for those farmers who plan their tax position as carefully as they can, given the variations in the income receipts and deliveries in the farming business, this was an unexpected problem.

Therefore the bill recognizes the practical fact that in almost all cases the final payment will be made after January 1 following the crop year, rather than in the portion of the year which lies between July 31 and December 31. It simply makes that the universal rule. It is certainly not the intention to delay the Wheat Board's final payment, and in most years this will not have any impact at all. However, it does mean that we will be able to say to producers definitely that the final payment will come in the taxation year following the end of the crop year. In this particular year, for instance, this was a pretty important piece of information for producers. We told them that that would be our objective, and that we would try to make sure that that is done.

There was a tendency among producers to wonder whether they should deliver grain or acquire further income in a particular year when they did not know whether a final payment would be made in the same year. In the future we will avoid that problem, if the bill is adopted, and I urge hon. members to join us in offering this certainty to producers by sending the bill to the committee and moving it along with dispatch thereafter.

Mr. J. H. Horner (Crowfoot): Madam Speaker, before Bill S-6 passes I too would like to make a few brief comments. As the minister stated, the bill is not very necessary. In the past it had been an established practice for the final payment on grain grown in designated areas to be made in the calendar year following the crop year, which ends on July 31.

However, in recent years there was one occasion when the minister in charge of the Canadian Wheat Board took it upon himself to assure farmers that the final payment would be made in a hurry, in the fall of the same year in which the crop year ended. Some people could say that that was because of the fall election that year, but I would not suggest that to anybody in eastern Canada, and one does not have to suggest it to anyone in western Canada because we there know that the Wheat Board has been monkeyed around with for political reasons more often than not.

The frequent question put in western Canada is whether the Wheat Board works for the farmers, and the reply to that question is yes, its job is to serve the farmers. But invariably when we have a minister who wants to use the Wheat Board as a political mechanism, the opposite occurs.

All this started with the late minister of agriculture, Mr. Gardiner, who set up a political machine in Saskatchewan. There are some people around today who try to emulate his machine in the province of Saskatchewan. This bill as I say, is not necessary, but it will take the decision out of the hands of the minister in charge of the Canadian Wheat Board to make the final payments prior to January following the crop year if he thinks a fall election is imminent.

The farmer is the only person producing food who really does not know what he will get for it, and what the

demand is for the commodity he produces. It has long been my belief that he should know, at least approximately, what the demand for his product is and what he will get for it. I am in complete agreement with the pooling system of the various grades, but we should establish a firm principle that the initial payment should be 75 per cent or 80 per cent of the expected final payment. Then the farmer, by looking at the cash receipts that he receives from the elevator agent, would know approximately what his product is worth.

In the past year wheat was worth \$3.50 in the country elevator. Then on August 1 it dropped down to a little over \$2, and stayed at that price until enough political pressure was put on the minister, which the minister passed on to the Wheat Board, which then gave a little more than \$3.50 at the elevator. That is the price that the farmer receives, not the price at the lakehead. What he receives is what he gets when he delivers grain to the elevator. That is becoming increasingly important today when farmers are wondering if they should sell their grain on what is called the open market to feed mills, feed lots, or to the elevator agents in western Canada.

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The farmer does not know what the demand for his product is, and the initial price he receives may have no relationship to the expected final payment. I believe there should be a formula by which the farmer would know approximately what his product is worth and what he would receive when the pool account is wound up. He does not know that today, and so cannot plan ahead.

There was a demand for wheat last year, and the government advocated increased acreage planting in the spring. The farmers did not heed the government, however, because they were skeptical about the wheat scarcity. At the recent Food Conference in Rome a great deal of concern was expressed about the people in underdeveloped areas suffering from starvation. We hear more and more of this all the time and, as producers, we wonder what the effect on grain production will be. A year ago there was a scarcity of beef and prices were high, but now there is a surplus and lower prices. Will the same thing happen with grain?

In the past year we have seen a build-up in the demand for energy, and the scarcity that has resulted. To some extent that caused a surplus of beef and higher prices for grain.

Considering the balance of payments problem that the United States is experiencing. I would not be surprised to see that country demanding nearly \$10 a bushel for the grain it produces, and if wheat goes to \$10 then corn, which is its next biggest crop, will go higher too. This would be a result of the high prices the United States has to pay for oil and energy. If Canada curtails oil sales to the United States that will aggravate their problem and Americans are likely to counteract their demands for energy with demands for higher prices for feed grains and wheat.

I think one would be remiss if one did not warn farmers to seed all the wheat they can this coming crop year because there will be a demand for it. Because of its balance of payments problem and its energy situation, the