

*Agricultural Drought*

priority to the movement of forage to dairymen. It is fortunate that dairymen will have a cost of production formula based on costs. In Saskatchewan at least, the cost of production formula has yielded an increase of 1.5 cents per litre to help offset the extra expense of buying and importing hay. At least three or four truckloads of hay go back into Saskatchewan on wheat pool trucks that have hauled cattle east.

However, having said that, Mr. Speaker, it should be pointed out that the announcement has no provision for guarantees on feed grain supplies being held within our area. This is in part due to the implementation of an open market feed grain policy a number of years ago. We were told then that the open market would supply all domestic needs and the Wheat Board was instructed to concentrate on the export market for feed grains. They have been trying to do this but now there is a conflict of interest between the livestock producers of western Canada and the grain marketing institutions.

It is good business for the open market to get as much feed grain as it can in order to put upward pressure on the domestic price. When supplies are available, buyers are not so likely to bid the price up so the domestic market has been attempting to drain the area. Because the Wheat Board has not been given the jurisdiction to supply the domestic market first, it is intent upon selling as much feed grain into the world market as it can. Livestock producers may be at a disadvantage because of that inappropriate policy which was decided on some years ago.

As yet no announcement has been made about increasing the initial price of feed grains so that farmers who produce both grain and livestock will not be encouraged to sell before the end of the crop year, July 31, in order to take advantage of the higher prices for this crop year. The same argument applies to holding seed on farms. There would be less incentive to put it on the market before the end of July if an announcement were made soon that initial prices will remain at the same level for the next crop year.

The announcement makes no mention of the sense of urgency that exists regarding the market price of cattle. Cattle prices in the west are more depressed than in other parts of the country because of the emergency situation there. Stabilization pay-outs are available for some products but they are not normally available for cattle. If a normal stabilization program were to be put into place for cattle, it would not apply to those producers experiencing losses of 40 cents or 50 cents per pound through being unable to pick their marketing time.

Urgent consideration should be given to these needs and I hope the government will hold a watching brief on the situation and act accordingly.

**Mr. Bill McKnight (Kindersley-Lloydminster):** Mr. Speaker, I should like to ask the minister a couple of brief questions. Regarding the supplies of feed grain maintained on the prairies, in my constituency tons of feed barley would ordinarily be available to farmers at the Netherhill elevator. In the surrounding area there are three feed lots, one that uses 20,000

bushels per week, the other one using 5,000 bushels per week—

**Mr. Deputy Speaker:** Order please. The procedure is for members to ask questions at this point. Statements have been made and now hon. members are permitted questions. I should like the hon. member to put his question.

**Mr. McKnight:** I should like to ask the minister what provisions have been made through the Canadian Wheat Board to guarantee a supply of grain to farmers in western Canada at this time?

**Mr. Whelan:** Mr. Speaker, the minister in charge of the Wheat Board is having meetings in Winnipeg today with the Wheat Board and the Canadian Grain Commission. They have made a survey of the grains that are available but I do not know their findings yet. I hope we will be able to report early in the week.

We are told unofficially that there are adequate supplies on the prairies for domestic livestock emergency feeding programs. I do not think we can say at this time whether we are going to make offers to farmers or whether we are going to decide that none of it can be shipped out of the area without properly compensating grain producers. All these things have to be taken into consideration when the decision is made.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, I have a couple of questions regarding the amount of assistance. It was suggested that there be a 50-50 division of the money, \$7 million each. Out of that is to come \$1 million for B.C. and Ontario and \$1 million for Indian reserves, which leaves \$5 million. It was my understanding that the Saskatchewan—

**Mr. Deputy Speaker:** Order please. Would the hon. member please put his question.

**Mr. Hovdebo:** Is there enough money to cover that sharing, because Saskatchewan has already paid out \$15 million?

**Mr. Whelan:** Mr. Speaker, I understand this is an estimate made by Saskatchewan. As I said earlier, this is our proposal at this time. We will monitor it very closely and if necessary will go back to the treasury and scrape up some more money. If the rains come—and you can bet your bottom dollar, Mr. Speaker, as can everyone in the House, that I am praying that the rains do come—it is going to mean better crops and that we will spend less money.

The hon. member for Lisgar (Mr. Murta) made some representations about Alberta but the Alberta minister has stated that they do not have emergency conditions as such. Newspaper reports made it appear as if no aid would be given for transportation in Alberta. That is not the fact, Mr. Speaker; arrangements will be made with Alberta.

**Mr. Murta:** I should like to ask the minister how his department and the provincial governments arrived at what I expect will be an amount of \$14 million. It is a 50-50 share, so each side is giving \$7 million. Is the minister prepared to table