

The Budget—Mr. Deachman

the western prairies. This problem is perhaps minimized because it is seldom stated in the house by other than prairie members. That is why I thought it would be useful this afternoon for a city man who does not live on the prairies to state the case here in the House of Commons, perhaps not in approved prairie terms but in terms that can be understood by city men such as myself.

The background of the crisis is stated by the *Winnipeg Free Press* in a recent reprint from editorial and news pages, in these words:

What are the major problems confronting the farmer? In the first place, he is confronted with formidable operating and living costs. The prices of many of the goods required for his operations are artificially enhanced by the protective system of which the government is the architect. On the other hand farm exports must be sold in markets, such as Japan, where demand is limited by the unwillingness of the Canadian government to remove the obstacles to imports from these countries. More specifically, however, the government through the Wheat Board controls marketing; it is not open to farm organizations to sell outside it. The board, after years made easy by the big deals with Chinese and Soviet state agencies, has simply not accomplished the selling job.

Behind the board is the government. With the rediscovery of the east, Mr. Alvin Hamilton encouraged the farmers to greater production with the doctrine of unlimited demand. His Liberal successors pursued the same course and the farmers produced as never before, ending with a surplus beyond anything previously recorded.

Here are the dimensions of the glut that now chokes and overflows the whole grain handling and storage system. I want to put this in terms that my city colleagues can all understand.

On July 31, 1968, about one year ago, we had a carryover of 665 million bushels, an inventory on hand of 665 million bushels before the new crop came on to the market, or an unsold amount equal to one whole year's crop, with another crop coming. We added to that the 1968-69 crop of 635 million bushels, making the astronomic total of 1,300 million bushels.

Mr. Forrestall: Why didn't you sell it?

Mr. Deachman: Perhaps the hon. member, coming as he does from the east coast, will be able to appreciate a western problem if he just listens to a city man telling it. He has been listening too long to his prairie friends.

After allowing for domestic use and exports we are going to end up on August 1 of this year with a surplus of 790 million bushels.

Behind that will be coming the current year's crop, so if sales drag and if the crop is good we could very well end up the crop year with almost one billion bushels of wheat on hand.

That is equivalent to \$2 billion of unsold inventory. It is an amount so large in quantity that it would take an armada of 4,000 average grain ships ten years to carry it out of the port of Vancouver, with the facilities and the size of ships now coming in and out of that port. Is that a crisis? To put it in the words of the *Winnipeg Free Press*:

It seems clear that this country is in the final stretch of what can only be termed, from the wheat growers' standpoint, a disastrous year.

It requires little imagination for us to realize that the welfare of everyone in the west from Vancouver right through to the head of the lakes is going to be greatly affected by this crisis, and actually is affected by it now.

While the judgment of past governments and of the present government has been bad in regard to future demand for wheat, the judgment of western farmers has been no better in regard to beef and the demands for beef, which trades freely on the North American market, as opposed to wheat which is sold through the Wheat Board. Prices have suddenly gone up out of sight, and the western farmer is caught without sufficient feeder cattle to meet the demand or to take advantage of it. So we have a phenomenon in western Canada today of far more wheat than we are apparently going to be able to dispose of, with a \$2 billion inventory in prospect, and a situation in which beef prices have gone out of sight but we are unable to feed the cattle and supply that market.

To return confidence to the western producer I hope we will shortly hear of comprehensive short-term programs designed to correct the current imbalance in agricultural production. For the longer term perhaps we need a royal commission to inquire into western agriculture and the agencies, such as the Wheat Board and the transportation systems, which serve it. We have had such inquiries in the past and they have done a lot to shape our thinking in regard to western agricultural and transportation economics.

As a Vancouver member I am closer to and more familiar with rail and shipping problems than I am with prairie agriculture. Vancouver began as a railway town and as a harbour town served by the railway. The planning and development of transportation in the lower mainland, or greater Vancouver