

*Western Grain Stabilization***WESTERN GRAIN STABILIZATION ACT****MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN**

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

He said: Madam Speaker, I am very pleased indeed that the House has now been able to take up the legislation respecting the stabilization of net proceeds from the production and sale of western grain. It is now quite a few years since this government placed a very high priority upon the problems of the grain industry in western Canada. In 1968 and 1969 we recognized that there were grave difficulties which persisted and recurred in the grain industry and that it was time to have a most thoroughgoing examination of the whole range of problems relating to production, marketing, and particularly to the income of farmers throughout the prairie region in connection with their grain operations.

It was necessary for us as well to begin a massive examination of the nature of the handling and transportation systems which showed some problems in terms of cost rather than simply in the capability of marketing or carrying to market of the enormous prairie crops.

In 1969 we put together a new form of administration within the government to try to concentrate the attention of government on the problems relating to grain. We brought together, in the grain administration, part of the governmental operations which had dealt with grain in the various departments, such as the Department of Agriculture, the Department of Industry, Trade and Commerce, and the Department of Transport as well as in other departments, according to the type of problem which was being handled. We did that in order to concentrate on this problem, although of course within government there is always the dilemma of keeping the various parts of a problem as a unity in searching for solutions to it without pulling the parts away from other aspects of their own system where they also have significant relevance. In this way we gave the grain problem our concentrated attention.

The stabilization program which is before the House now is one of the several remaining very important measures which we tackled in those days. We recognized that the income of the farmer was our fundamental objective in dealing with the problem in the grain industry. The consumers of this country are of course extremely interested in the production of grain. There has not been much problem in terms of shortage but there have been significant problems in terms of the way the system operated to serve the farmer and the way it managed to obtain income for him.

● (2110)

We have in the years since then moved on many extremely important fronts in ways which have not only improved the lot of the farmer in his production of grain, but which have tended to assure that he will be better

[The Acting Speaker (Mrs. Morin).]

served by the apparatus of government and the rest of the structure within the grain industry which is so important to him. Some of our first approaches were to try to make sure that the marketing of his product was improved.

We moved to give the Canadian Wheat Board additional facilities by way of credit and guarantees so that it could market wheat into traditional markets which had been lost and which, therefore, it was able to regain. We encouraged it to enter the feed barley business, where the Canadian producer had really not been before in terms of the export world. We set some targets, and achieved those targets of over 200 million bushels of export barley to help create an environment where, in other years, that market would be sustained to produce good returns for the farmer.

We set up a market development fund with a flexible ability to attempt to support projects of all kinds which might further the sale of Canadian grain products abroad. Some very interesting initiatives in the development of foreign markets have taken place as a result of that market development.

With these various efforts we obtained some important selling achievements. In years when the world market conditions had not yet changed, and our buyers were not yet much more receptive to the purchase of grain, we set three successive records in the export of grain, rising in 1972-73 to some 831 million bushels of all grain produced in the prairie region.

We also moved into some interesting additional projects in order to improve our ability to sell, projects which are still developing or coming to fruition at the present time, some which were accomplished with improvements in research through the regular program of the Department of Agriculture and with assistance in the creation of a crop science centre at the University of Saskatchewan. Also to be located at that university is a protein oil starch plant, which is a joint effort between government and industry, with the emphasis on industrial participation. It is designed to move research forward into production so that new ways may be found to market our grain and new markets found by having a variety of products with which to gain access.

We did not neglect the cash position of farmers in the interim period. We introduced the two price wheat program at a time when it meant many millions of dollars from the treasury to the western farmer. At that time international prices for wheat were in the order of \$1.70 a bushel, and our two price wheat program was based on a domestic price equivalent of \$3. For several years, therefore, large sums of money were transferred to supplement the prairie farmer's income when he needed it so very badly.

We have been facing the income problem in other ways as well. The cash advance program has been constantly improved. From the time of our beginning this work to now, a fivefold increase has effectively taken place in the maximum cash advances, to a present limit of \$15,000 per permit holder compared to \$3,000, which was the figure in 1968.

An hon. member has mentioned the transportation and handling system. That is one of the other major areas which require further attention in the next number of