

*Wheat Acreage Reduction*

ought to for any commercial reason or for any other reason. What we are saying is that if we did not have that extra amount, on all analysis of how long we would have to carry even the upper bushels of the rest that we have, we would be carrying it a very long time before we had an opportunity to move it.

That means we would have enough without the 500 million bushels to meet all prospective sales opportunities and anything else in the way of aid or anything else we might do with it. Even in aid, the world can take only so much. When you start with a bushel of wheat and put it into an edible form like bread, the wheat in the bread comprises perhaps only about one-fifth of the cost. You need money to move it and you need money to mill it; you need to build ports and roads and trucks for the countries where the wheat is to be taken.

The simple proposition was, Mr. Speaker, that this inventory was lying as a great burden upon the farm industry, a burden costing millions of dollars a year to carry, and was causing distortion in every direction in regard to crops. I said we must maximize our sales.

**Some hon. Members:** Hear, hear!

**An hon. Member:** Other countries are doing it.

**Mr. Lang:** Our record this year shows that in fact the crop year 1969-70 is going to be a very good one in terms of sales.

**An hon. Member:** Is going to be!

**Mr. Lang:** Mr. Speaker, by the halfway mark of the crop year producers had already delivered as much rapeseed as they did all the previous year, they delivered as much flaxseed as they did in the previous year and as much Durum wheat as in the previous half year. Wheat was lagging.

**An hon. Member:** The government was lagging.

**Mr. Lang:** Because of the decision that had to be taken in trying to hold prices in the International Grains Arrangements, we had a gap in sales. I was rather distressed to hear the hon. member for Saskatoon-Biggar (Mr. Gleave) imply a lack of support and a criticism of the Canadian Wheat Board. I did not expect that from him. While the sales—

**Mr. Deputy Speaker:** Order, please. The hon. member for Saskatoon-Biggar (Mr. Gleave) on a question of privilege.

**Mr. Gleave:** Mr. Speaker, I want to make it clear that I was not criticizing the Wheat Board. I was criticizing the government. Let there be no misunderstanding about that.

**Mr. Lang:** I was sure, Mr. Speaker, that was his basic intent but it was rather unfortunate that he pointed his finger at the Wheat Board in attempting to do it.

Sales have lagged in the first half of this crop year, but by the end of the crop year exports will amount to 375 million bushels, which is higher than all years but one between 1943, when the Wheat Board started, and 1963 when the first sale to Russia was made.

**An hon. Member:** This is 1970.

**Mr. Lang:** Had this year stood alone in terms of sales, one might have asked: Where is the cash problem about which we have heard to much? But, of course, this year does not stand alone; it stands after two years of very difficult times in terms of sales, and therefore a very difficult cash position for the agricultural community. That is why we have to be concerned. That is why the inventory adjustment, which it was quite logical and clear that this industry had to make, could not be expected to be made by it alone. That is why we had to try to devise a program which faced up to this inventory issue and to the cash problem at the same time. These two things we have put together in an attempt to accomplish the result in as short a time as possible.

Mr. Speaker, the extra 500 million bushels of wheat which are above commercial requirements are expensive to carry. The longer you carry any part of it, the longer you carry that part of the expense. Accordingly, it was clear that what we needed in our attempt to bring this inventory into proper line, and also to avoid the creation of unnecessary and undue surpluses in other crops, was the quickest possible retirement from production of 22 million acres for one year. We looked at the possibilities of doing that over a longer period of time or over a shorter period. Any lengthening of the time simply prolonged the pain and the period in which those acres would have gone into other crops. Hon. members who are farmers know very well that is what would have happened. So we looked at the possibility of doing it in