

The Address—Mr. Harkness

The total supply of wheat, according to the various estimates of this year's production, ranges from 955 million to 975 million bushels. In the case of coarse grains, it is something in the neighbourhood of 966 million bushels. That means there are nearly 2,000 million bushels of grain which pose marketing, storage, transportation and credit problems of great magnitude. The first three, marketing, storage and transportation, are basic and are really long-term matters. However, there is the fourth, the matter of credit. I hope that this is a temporary problem, but at the same time it is a matter that requires immediate solution. It is to this phase that I shall devote the major portion of my remarks.

In order to make the present situation absolutely clear to those who do not come from western Canada and who are not familiar with the grain business, I should like to say something about how our grain is handled. In western Canada we have in effect only one customer, the wheat board, which is an emanation of the government. A farmer can sell his grain only to or through the wheat board, except for the very small quantity he may get rid of from time to time to neighbouring farmers for seed or feed.

The amount of grain that a farmer may sell to the wheat board and the initial payment which he receives for it are matters of government policy. In other words the amount of grain a farmer may deliver and the amount of money he receives are determined by the government. It should be the responsibility of the government to ensure that the farmer is able to secure enough money to feed and clothe his family and himself and carry on his operations. I submit that this is the primary responsibility of the government, seeing that it has a monopoly of the grain trade; but it is a responsibility which it does not show any disposition to meet at the present time.

This year the quota was set at three bushels per cultivated acre. This quota is in effect now except for oats where it has been increased, I believe to a maximum of twelve bushels per acre for the man who grows nothing but oats. The number of such people is extremely small and the effect of the increase in the quota for oats is therefore slight. In other words it does not change the general picture, which is this three bushels per acre quota.

Most farmers, of course, delivered three bushels of wheat if they were able to do so because that would immediately bring them more cash than they would receive for oats and barley, the initial price being considerably higher. The average initial price

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paid to farmers throughout the west would be no more than \$1.20 per bushel, I would say, when you take into consideration the freight rates and spreads in prices due to different grades. In other words the farmer would receive \$3.60 an acre. The cost of swathing and combining grain in my part of the country—and I do not think it varied a great deal throughout the west—was around \$5 per acre. That meant that the farmer, provided his entire farm was in grain, received considerably less than two-thirds of the amount of cash required to pay his harvest expenses. If he had one-third of his farm in summerfallow he received just about enough to pay his harvesting expenses, leaving nothing to pay his debts, to carry him through the winter and so on.

However, that is not the whole picture because in a large number of cases farmers have not been able to deliver the quota. In many cases they have not been able to deliver any grain, and they have received no cash whatever. Just as an example, where I farm there are four farms constituting two sections, or 1,280 acres. Two of us managed to deliver 100 bushels of wheat or a little less, and the other two delivered nothing. In the area at least 1,000 acres are cultivated and we should have been able to deliver 3,000 bushels of grain. We were able to deliver less than 200 bushels. That is not an isolated case. The same thing applies at delivery points all over the country. There is no use in saying that the farmer has a quota of three bushels an acre and that should be sufficient to carry him when in fact a large number of farmers have not been able to deliver any grain and have not been able to get any cash at all.

Neither the Minister of Trade and Commerce (Mr. Howe) nor anyone else in the government has been able to say when the quotas will be raised or what the quotas will be at the end of the year. Certainly, from the way grain is moving out of the part of the country I come from I would say that the quota is not going to be increased for some time. At my own delivery point no cars of grain moved out between the middle of August and the third week of October. No grain moved out at all. Since that time the elevators have shipped out about two carloads each but they have only been able to take in one carload each because they needed the extra space to handle the grain they had on hand. So the prospects for increasing the quota do not look very good. Neither do they look good for the farmer to get more cash in his hands through filling the quotas in all places.