

*Prairie Grain Advance Payments Act*

the present act the producers know what they are entitled to, because it is spelled out specifically and categorically. Under the proposed legislation they will not know this. Here again we see the Governor in Council emerging as the all-powerful authority: decisions are not always based on economics and in many respects are political.

Producers will not know exactly what they will get. On page 6 of the bill we see that the Governor in Council shall prescribe as the advance payment rate per bushel for a kind of grain in a crop year a rate that in his opinion approximates 66 $\frac{2}{3}$  per cent of the initial payment that will be payable in that crop year for the prescribed grade of that type of grain. We do not know what the maximum will be because we do not know what the quotas will be. This creates a mood of uncertainty which makes it very difficult to embark upon any program of planning. In agriculture today one of the greatest pitfalls is lack of planning in production and the economic balance of each farm unit.

Under the present act the interest rate is fixed. Now we see the Governor in Council is to prescribe the interest rate. This, again, makes planning difficult. As I mentioned before, we now see that the unit quota is gone forever. The bill makes specific mention of that. I reiterate that the unit quota was the salvation of the small producer. For example, in my constituency of Vegreville, in answer to this question which I had circulated, "Do you feel the unit quota should be retained?" 71 per cent of the respondents said "Yes." Mine is a mixed farming riding and this response is an indication of the feelings of the farmers in respect of the unit quota system. It has been a good thing. I would urge the minister, throughout the debate on the stabilization program which we shall have in the near future, to give serious consideration to incorporating the unit quota system in one form or another, because failure to do this will speed-up the rationalization process which we see taking place so obviously today and which is playing havoc with the rural communities of western Canada.

In his press release the minister said that another season for amending the act was to give producers a better opportunity to repay advances in the crop year in which such advances were obtained. If sales and deliveries had been made, the advances would have been repaid. That is the problem. The producers who have obtained advances have found themselves in the position of prolonged indebtedness. Why? The answer is very clear: the farmers are desperately short of cash because they have not been able to sell grain. It is that simple.

Let us consider the Canadian Wheat Board annual report for 1969-70. I hope the minister in his remarks will be able to throw some light on this problem. We find that a number of contracts remain outstanding. I would be interested in knowing why some of these contracts are outstanding, whether they will be fulfilled and just what position the Canadian Wheat Board is taking. For example, in 1966 Russia negotiated a three-year agreement calling for the sale and purchase of 336 million bushels of wheat and flour, yet as at July 31, 1970, 66.1 million

bushels remained outstanding under that contract. The contract has expired.

The People's Republic of China has 66.2 million bushels outstanding from a total commitment in 1969 of 82.1 million bushels. With regard to Eastern Europe we find that Bulgaria, with a commitment of 7.3 million bushels in October, 1969, has outstanding purchases of 5.4 million bushels as of July 31, 1970. We see that Poland has a 3.1 million bushel contract which was due to expire on November 4, 1969, and yet 6.6 million bushels are still outstanding in that commitment. The German Democratic Republic continued in default of its long-term agreement with 5.3 million bushels of wheat outstanding.

We have heard a great deal about the resurgence of sales made possible by the government's new credit program. Under this new program we have made a few agreements but very little in the form of deliveries, and as a result very little cash has been distributed among the farms of western Canada. For example, Peru failed to meet its commitment of 8.4 million bushels. This information is found on page 14 of the Canadian Wheat Board report. Brazil, which negotiated an agreement for 33.1 million bushels for the period June 1, 1970, to May 31, 1974, has not yet exercised its delivery option for any part of the contract.

The Philippines were to have purchased 5.6 million bushels between January 1 and December 31, 1970, yet no portion of this delivery has been made. Syria agreed to purchase 29.4 million bushels for the three years ending March 31, 1973, but 25.4 million bushels remain outstanding. The United Arab Republic, out of a total commitment of 18.4 million bushels which was to have terminated in October, 1970, still has an outstanding commitment of 15.2 million bushels. In total this amounts to 186 million bushels of wheat most of which is outstanding over and beyond the contracts.

These long-term contracts were splashed over the press and other news media. We were told that Canada had made another great sale. In view of this I was asked by farmers why they only have a four or five-bushel quota. The answer is simple: many agreements are being made, but not too many sales. What is happening? Are these countries using Canada as a hedging device? Are they making long-term agreements and then going out and purchasing elsewhere because they believe Canada is a good country and if they go beyond the expiry date of the contract they will still be able to get delivery at the original price? If this is what is happening, I suggest the minister should look into the matter. I hope he has some answers, because I believe this is another misleading device which has been perpetrated upon western farmers and leads to a false sense of optimism.

● (3:20 p.m.)

You cannot distribute the cash if you are not delivering the goods; you cannot ring it up on the till. I suggest that it is high time we got rid of the public fanfare, the gimmicks and the falsified sales promotions which have taken place. We should start talking about the genuine sales, the genuine deliveries, those for which we are

[Mr. Mazankowski.]