

which prices varied over the winter months. There are other figures which indicate variations, if honourable senators care to look at this table carefully. The high for feed seems to have been in 1965, in April, 248.5. The high for animals seems to have been in 1965, in December, when the index was 320.3.

I know this makes a tedious speech, but I am putting these figures on record so they can be of value to honourable senators at committee stage.

**Hon. Mr. Burchill:** Were those market variations?

**Hon. Mr. Connolly (Ottawa West):** They were market variations, variations in the price reduced to 100 for the crop years 1935-1939. So, it indicates, first of all, the increases in price from 1935 to 1939 to the years in question, and the variation in the index reflects simply the increases or decreases in prices, depending on the season, both for feed and animals.

**Hon. Mr. Burchill:** That is the market variation?

**Hon. Mr. Connolly (Ottawa West):** Yes, that is right. There has been a debate in the industry, in the farming community, and indeed in the trade, as to whether or not the storage assistance which began in 1963—and which, I should inform the Senate, now has been dropped for this year—should be continued as a public or private venture. It has cost approximately \$1.2 million per annum to provide the subsidies required for storage during the winter months.

There was an excellent debate on this subject in the other place, a debate in which very useful and informative speeches were made by farmers from Ontario, if I may say so, on the opposition side of the house, who knew the problem. In particular, one of them said that some consideration should be given to the encouragement of private enterprise to provide the storage which is required by allowing special rates of depreciation. That was one of the practical suggestions—and a very good one, I thought—made on the other side during the debate.

However, as honourable senators will see, even from a casual inspection of these tables, the big problem has been first that of co-ordinating the work of government agencies and the trade, and also trying to eliminate the huge carryovers after the winter months have passed and navigation is opened in the Seaway.

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In addition to the transportation subsidy of approximately \$17 million a year, and the subsidy for feed storage, which was approximately \$1 million a year in the last three years only, there have been certain other facilities provided, particularly in specified zones in eastern Canada, for the subsidization of the distribution of feed grains from central points by the trucking industry. This has proved to be a successful venture. It has encouraged lower-cost movement of these feed grains within the specified areas, within the zones. It has provided increased competition for the shorter hauls; and I am told that it has reduced the cost of this shorter haul transportation by as much as \$4 a ton.

There has been criticism too that this many-pronged program has been one which has helped the big feeders rather than the small family farm feeder or breeder. The trade, in fact, has been buying the bulk of the grain, particularly in western Canada, and the trade has been making arrangements for the distribution and sale to the breeders. It has been done mainly by private agencies with the subsidies to which I have referred. This in turn has led to complaints that there has been too much in the way of middlemen's profit, too much in the way of opportunities for speculators. Honourable senators can see by simply looking at page 7 the rise and fall in prices, and obtain an indication of the opportunity for the speculator to buy when the grain is cheap, and to hold and to sell when the grain is more expensive.

There was some criticism also of the fact that there has been a good deal of price fluctuation. This is hard on the farmer-breeder in Eastern Canada, including the Maritimes, and on the west coast. The table on page 7 indicates that the feed costs and the animal costs are up and down seasonally.

I refer honourable senators to Table 25 on page 8, which is entitled: "Canadian Wheat Board Prices to Producers for Western Canadian Oats, Basis in Store Fort William-Port Arthur, Crop Years 1962-63 to 1964-65". The second table on that page indicates the same figures for barley. I do not purport to discuss these tables; I simply draw them to the attention of this house for the purpose of indicating what the prices to producers of these feed grains are at the Lakehead.

There is a good deal of development in the feed grain growing business in eastern Canada, particularly in Ontario, and on that account it is important to know something of