

Feed Grains

more complete picture of the importance of those imports. For instance, the feed grain and meat production industries alone are contributing for over \$100,000,000 to the Quebec economy.

The same ideas are to be found throughout this brief. I will not inconvenience the House by reading the other paragraphs but I would like, for instance, to read paragraph 3, page 4:

Importance of reestablishing, for the sale of cereal, market conditions similar to those prevailing for the sale of meats.

The setting up of marketing agencies both at the provincial and federal level are aimed, among other things, at better balancing offer and demand for farm products. That balance between supply and demand cannot be achieved with some control over the production of several food products—

... It would be illusory, for instance, at a time when attempts are being made to impose quotas on the production of pork in Quebec, to stabilize the volume of production, for other marketing agencies to have at the same time, power to exercise control over the movement and prices of cereals. It is quite obvious that if the mobility of pork meat is ensured while being co-ordinated, restrictions on the movement of cereals must be avoided at the same time.

In short, obviously if the meat market is to be competitive within Canada, the grain market must also be.

Mr. Speaker, remember, this brief goes back to 1971. Its recommendations were prepared by the interested parties, people who know what they are talking about; to date, to remedy the situation, the Minister of Agriculture (Mr. Whelan) has merely promised that he will announce a policy in the near future. Even though I am anxious to learn about this policy, I think it proper to suggest that it is a little late. Finally, from 1962 on, the government was strong enough and had enough experts to advise it.

But, I wonder why wait for failure or still the disappearance of one third of farmers? Be that as it may, with all the farmers still on the farm, I expect with some impatience something concrete and I urge the minister to act as soon as possible.

[English]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to say a word or two at this late hour. This debate comes at an entirely different time from previous years. We had a great deal of grain, and prices were low. The possibility of establishing a fair feed grains policy for the pricing and handling of feed in eastern Canada has evoked a great deal of rhetoric and discussion about the best methods of handling the situation.

Whatever the solution may be to this difficult problem, I think it would be wise to maintain a reasonable attitude and to realize that the amount of grain involved, in relation to the total western grain production, is not large and policies should not be embarked upon that would destroy or fundamentally change the marketing system which has evolved. This does not mean to say changes should not be made if conditions warrant change, but with the high cost of feed for the eastern feeder, highlighted by the action of the United States and Canadian governments in restricting exports of animal protein, the real solution must be postponed until United States crops are harvested. Forecasts are for substantially higher yields, but we still require a great deal in the way of United States and Canadian crops to meet demands.

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It is forecast that in the United States there will be higher price increases for fresh fruits and vegetables, and that there will be a shortage of fruits, vegetable oils, shortening, beef, pork and chicken in the next few weeks. The U.S. freeze on food may well be disastrous in the long run because it is reducing the incentive to the farmer to produce food. Asked before a House judiciary committee studying the increase in food prices in the United States, a witness stated, when asked who was making money out of the high prices, "It is the farmer, but over the last ten years he has lost money, so he is not getting richer".

Turning to the report of Statistics Canada, it shows that western Canadian farmers did not respond this spring to instructions to grow more grain as barley, flax and rapeseed are all down, with a whopping 25,500,000 acres in summerfallow. Even with the best growing weather, western Canada this year will not be producing as large a crop as it might have. It is perhaps difficult to know why this less than expected acreage was seeded in western Canada but it is not surprising considering the long years of low returns and the fact that the farm population is perhaps not large enough to grow the required amount of food. In the United States and Canadian experience lies a lesson. Price controls and freezes, so far as food is concerned, mean a reduction in the production of food. Because our economies are so tightly interwoven, it is important for both countries that we export from this continent as much food as possible to preserve our balance of payments position. And the production of food is one of the few areas in which North America is competitive throughout the world.

In the matter of a feed grains policy, which really means a pricing policy for the feeders of eastern Canada, it seems significant that out of 400 million bushels of barley grown in western Canada, only 60 to 80 million bushels are involved in the movement to the east. As 200 million bushels stay on the farms of western Canada and the balance of over 100 million is exported, it is important that measures not be taken that would reduce the production of barley in western Canada. Yet I believe this may well come about if we are not careful. If the feed grain sold to eastern feeders is much reduced in price over the world market so that in the pool barley prices are forced down, or if restrictions are placed on the export of barley in order to keep down the price in eastern Canada, then almost certainly there will be a reduction in barley acreage. Whatever the final pricing arrangement is for the eastern feeder, for the western grower it must reflect the export price.

The Wheat Board has been the sole marketing agency for feed grains across interprovincial boundaries out of the designated areas. So long as the Wheat Board is selling grain on the overseas market, everyone in Canada is happy to see the board sell to its best advantage because of the benefit to Canada. But when the board is required to establish a price on feed grain on the domestic market it becomes much more difficult. Does the board establish a price in favour of the western producer, or one in favour of the eastern feeder? Naturally, both want the best for farmers and herein lies the dilemma. In the proposed feed grains policy it seems to me most important that the price