

Business of Supply

shipped and exported, which demonstrates that Canada's marketing facility consists of four large foreign firms, two controlled by French capital and two controlled by United States capital. Let me illustrate this simply by quoting a few paragraphs from an article by John Schmidt, agricultural editor of the *Calgary Herald*. In it he expresses some interesting facts about Canada's international wheat sales:

Is it really a serious matter that Canada has no major exporting firm selling any volume of Canadian grain?

The answer is yes.

And the reason is that if any large import order by a major wheat user was put up for tender tomorrow Canada would probably get last chance at supplying the order.

This is because four major international trading companies perform most of the shipping and exporting arrangements for the Canadian Wheat Board. They are Dreyfus and Bunge (controlled by French capital) and Cargill and Continental Grain Company (controlled by American capital).

It was Dreyfus and Company which got wind of the Russian wheat shortage in 1961. This company's representatives undertook to dig up wheat supplies for Russia.

The first move was to buy all the surplus French wheat.

That wasn't enough so Dreyfus sold the Russians all they could buy of the remainder of a short Argentine crop.

Then the company picked up a significant portion of the Australian crop.

Fourthly, it came to Canada for what was left of the Ontario winter wheat crop.

And finally—after all other supplies were exhausted—they came to Western Canada because Dreyfus knew the Canadian Wheat Board would give it the smallest working margin for shipping insurance, credit arrangements and delivery dates for acting on its behalf. The only point at which the wheat board entered the negotiations was in setting the price at which it would sell Canadian wheat.

Most commercial sales of Canadian grain are made by these shipping and exporting companies—or rather it would be true to say that they go around and dig up the orders.

Even when the wheat board signs a sales contract with a government importing agency of a buying country (in the case of countries where free enterprise has been eradicated) the final arrangements are left to either Bunge, Dreyfus, Continental or Cargill.

Naturally the Canadian Wheat Board would give the business to a Canadian company if there was a Canadian company now in this business. Canada has no merchant princes who want to work at the small margins the wheat board offers.

This may explain why France, for instance, is cutting into Canada's barley market in Japan.

With all our know-how and ingenuity Canadians could surely set up such a selling

agency of their own. Mr. Schmidt has suggested a consortium of all the private and co-operative handling companies together with the banks. Whatever form it might take, it would be a great improvement on our present system of subletting our sales prerogative to disinterested, profit-conscious foreign firms. Another thing that is desperately needed in my estimation is establishment of a close liaison between the market-wise scouts and salesmen of Canadian grain and the primary producer, the farmer.

It seems to me it is vital to have a swift and direct channel of market information by means of which the Canadian producer can be made aware of what types of crops and what quantities are in demand around the world. The weekly Richardson letter on the grain trade for January 15 states that we have lost and are continuing to lose sale after sale of crops such as barley, flax and rapeseed because the physical crop was not available at the ports for shipping.

This market demand must have been foreseen months ago, yet lack of liaison and dissemination of pertinent information prevented adequate supplies being moved to suitable sites in time for sales. This letter, incidentally, mentioned the loss of any possible share of this month's Japanese tender for 180,000 tons of wheat because the Wheat Board raised the price $\frac{3}{4}$ of a cent only a day before the tender. According to the Richardson letter, the Japanese buyers were more offended by the act than by the price increase. The result was that Canada lost every bushel of that large sale of about 9 million bushels to Australia and the United States.

Mr. Speaker, through you may I ask the Minister without Portfolio (Mr. Lang) how we can explain this scandalous blunder to those farmers who are being forced to sell their wheat at the present time for 60 cents or 50 cents a bushel?

I would adopt the suggestion made by the hon. member for Marquette (Mr. Stewart) in respect of overseas storage. Then we would not be restricted to the sale of grain in boat-load quantities. This would enable the operation to be more flexible.

I believe a very good place at which to start a general overhaul of our system would be cleaning up the confusion that exists within the government concerning which minister is responsible for what particular phase of agriculture. There is no sense subdividing responsibility and having the Minister