

*Canadian Wheat Board Act*

• (3:20 p.m.)

Following a prairie-wide campaign in 1949, oats and barley were brought under control of the Wheat Board. However, there were still grave problems in the international grain market and, after some 12 years of discussion behind the scenes, the International Wheat Agreement was consummated bringing together between 50 and 60 importing and exporting nations in grains marketing. This was a major breakthrough and worked very successfully for 18 long years until it was allowed to lapse in the spring of 1967. Again, a Liberal government had a part to play in the lapsing of this agreement.

From 1949 to 1954, when the Korean War came into the picture, the Wheat Board did not experience too much trouble. However, Canada began to build up wheat surpluses amounting to some 850 million bushels by 1957. At this time in history it was fortunate that the Right Hon. John Diefenbaker took over the reins of government and our party immediately set to work to relieve the situation, much to the gratification of the Canadian Wheat Board, by establishing a positive trading relationship with Japan, particularly in the field of textile import quotas. Then came the major breakthrough into the Chinese market as a result of the government policy of establishing large credits to the Chinese government over a three-year period. The first major sale of wheat in this instance amounted to \$428 million.

By stepping up sales to other countries through better trading relations, by the new international wheat price agreement of 1961 which raised the price of wheat by 12 cents per bushel, and by the Conservative policy of revaluing the Canadian dollar which gave the farmer another 15 cents per bushel, the Canadian Wheat Board was able to pay the western farmer the biggest final payment in Wheat Board history in 1962, and also get the quotas wide open for the first time in ten years.

From 1963 to 1967 things went along more or less smoothly in grain marketing under the Board with the present government cashing in on our trade and credit policies. However, the big catastrophe came in the spring of 1967 at Geneva when our government, in conjunction with the U.S.A. and several other major exporters of wheat, decided to allow the International Wheat Agreement to lapse for 11 months, allegedly under the pretense that a gentleman's agreement had been reached that oats, barley and rye would be brought into a new International Grains Arrangement along with wheat on July 1, 1968.

I might interject here to mention something of interest. In the early part of this year, I believe in February, when the Federation of Agriculture for Canada was meeting at the Skyline Hotel, one of the guest speakers was Mr. Tony Dechant, President of the United States National Farm Union. This is one of the most responsible farm organizations in the United States. During his address to our Federation of Agriculture, he finally admitted that following the Geneva Conference in 1967 it was the United States which first broke the gentleman's agreement and set the pattern for the downward trend in pricing in world markets, especially in respect of wheat. This was very interesting. I mention it because I feel, as

[Mr. Southam.]

a result of following this very closely as a member of the Agriculture Committee, that our friends across the way were responsible not only for damaging the general wellbeing of Canadian farmers but also farmers in other major exporting countries. I am not suggesting we should be anti-American, but I do suggest that this is an area in which the Canadian government, through the intervention of some of the cabinet ministers, should have held discussions with their counterparts in the United States such as President Johnson, the Secretary for Agriculture in the United States and others, with a view to curtailing the price cutting. Canada has been in trouble ever since and the loss to our Canadian grain farmers has been a sad, sad story.

Going back to February 1965 the Wheat Board, under the direction of the Hon. Mitchell Sharp, the minister then responsible for the Board, ran into difficulties when he ordered it to cut wheat prices in competition with the United States cuts, thus causing our farmers a loss of some \$90 million in the annual pool returns.

Coming up to 1969, in April, the present Minister of Trade and Commerce (Mr. Pepin) was forced to advise the Canadian Wheat Board to cut prices to compete with our U.S. neighbours. Canada still continued to lose out on sales, and quotas went down from six bushels to five, then to four and, in some cases farmers were only able to deliver three bushels. All during this period of time since 1967, the present government, instead of taking the blame for the mismanagement of grain selling, has allowed resentment in the farming community to grow and has allowed those who are seemingly not too familiar with the situation, or their own Liberal supporters who are only too ready to find a scapegoat, to continue to take pot shots at the Board rather than coming to the Board's defence as they should. Sure at times the Board may have been smug and a little careless perhaps, but by and large it had done a remarkably good job in spite of this government, and I trust this bill will assist them in doing even a better job.

Coming back to one particular section of the bill, namely the provision to allow rapeseed, flax and rye to be brought under the jurisdiction of the board at this time, I may say this is a very debatable provision. It is my humble opinion, Mr. Speaker, that the government should give serious consideration to holding a plebiscite among the grain producers of western Canada on this issue. There have been far too many occasions in the past when this government has jumped in with various proposed policies relative to agriculture without first getting an authentic consensus. Illustrations of this point would be the Lift program, the present debate over the grains stabilization program under Bill C-244 or, the most aggravating of all, Bill C-176. If a vote were taken among bona fide producers, I am sure it would quickly settle the argument and take the government off the political hook at the same time.

There are many conflicting opinions about the control of oilseeds in the market place at the moment. Mr. E. K. Turner, President of the Saskatchewan Wheat Pool, and Mr. J. O. Wright, Secretary of the Saskatchewan Wheat