

HOUSE OF COMMONS

Tuesday, June 14, 1977

The House met at 11 a.m.

GOVERNMENT ORDERS

[English]

CANADIAN WHEAT BOARD ACT

MEASURE RESPECTING ESTABLISHMENT OF MARKETING PLANS

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-34, to amend the Canadian Wheat Board Act respecting the establishment of marketing plans and to amend the Western Grain Stabilization Act in consequence thereof, be read the third time and do pass.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, last evening during second reading I said the official opposition supports Bill C-34 on the grounds that it attempts to meet what the farmers of western Canada demand, and we want to give it a chance to work.

There has been a long debate in western Canada about the respective merits of compulsory and voluntary pooling. As I said last night, the great majority of the farmers, in my judgment, supported the concept of compulsory pooling for their main crop—wheat. But they had a great reluctance to go into compulsory pooling for all crops, both the export and the domestically consumed crops.

● (1110)

There is a growing fear in western Canada about the continual encroachment of the rights of individual farmers to control their own destinies. Even though they are promised higher returns and are given the freedom to make their own decisions, they know instinctively they are losing something which is even more valuable than money. Therefore in this particular bill in which the minister proposes to allow the commercial companies, some of which are owned privately and some of which are owned co-operatively, to set up voluntary pools to which they can invite their clients to join on a contractual basis, supported by the discipline of the permit book as far as the contract is concerned, there is also assistance by the government in supporting up to 90 per cent the financial risk of the initial payment.

As I mentioned last night there is still a gap, which is the financial risk that the private enterprise companies, which pioneered the development of the rapeseed market around the world, and the co-operative companies will have to face. This financial risk is during the selling period of the crop year. There could be a decline in prices that would cause serious

financial jeopardy to the management or the company administering the pool. There could be a slowing down of markets, which would leave these companies with large amounts of rapeseed on contract for which they would have to pay storage charges and for which they would have to pay interest if money was borrowed for the holding of that grain.

These legitimate risks of private enterprise terrify many people. As I said last night, this terror goes back to the grim experience of 1929, 1930, and 1931 when the newly founded co-operatively owned pools went bankrupt because of the amount of the initial payment. The provincial governments of the prairies made loans to them, and eventually they went bankrupt. It was the federal government, under R. B. Bennett, which stepped in and backed up those loans which saved those pools.

The fear of having lost something for which they had fought so long brought such a deep fear into the hearts and minds of these people that never since that day have they done their primary duty, which is to sell western Canadian grain. They hold licences to sell grain on the Canadian Wheat Board but they never use them. Some of us have tried for years to get them to combine the four pools—the Alberta Pool, the Saskatchewan Pool, the Manitoba Pool, and the UGG which runs across the three provinces. We tried to get them to combine their economic strength and form one export company, which they did after a great deal of debate, called EXCAN. The essential fact which faces us is that, generally speaking, Canadian grain from western Canada saves the value of our dollar because of the tremendous export from western Canada into the hungry world, as the hon. member for Yorkton-Melville (Mr. Nystrom) pointed out yesterday. This is something which affects the whole country. The grain business is now facing up to this great fear.

In the last 45 years nearly all the grain produced in western Canada has been sold by four big international companies. The names are well known—Dreyfus from France, Bunge from Argentina, Continental and Cargill from the United States. These giant international selling companies sell most of the grain in the world. Each of them has approximately 10,000 agents all over the world competing with each other for markets. On the basis of cost, they do a remarkable job for the western farmer.

Having said that, it is a matter of national chagrin and shame that we do not have Canadians out selling Canadian grain. There are exceptions, of course. One of them is Charlie Schwartz, who is worthy of mention. He has fought with all his heart to sell a few million bushels of Canadian grain. However, the facts are very simple. When you are selling grain, you are in a multi-billion dollar business. Even to get