

position: they do not know what will happen to rapeseed or what the situation will be this fall.

This is the only part of the bill that is controversial, and it could well have been left in abeyance. Had that been done, we might have passed this small bill without too much trouble. With regard to the announcement of the possibility of putting rye, flaxseed and rapeseed under the jurisdiction of the Wheat Board I refer to James Richardson and Sons' Grain Letter No. 10 dated April 22, 1971. It reads in part:

—a bombshell hit the trade this week when the federal minister responsible for the Wheat Board the honourable Otto Lang announced in the House of Commons that he would introduce an amendment to the Wheat Board Act which would give the board jurisdiction over the sale of flaxseed, rye and rapeseed. Later on, the minister assured the grains industry that any consideration of changing the system of marketing rapeseed would be subject to thorough discussion with all parties concerned before any action was taken, and that the government at this time has made no decision to change the present marketing system. This, in our opinion, is far from reassuring and of little consolation to the industry as, once this amendment is passed and on the statute books, either this government, or any succeeding government, can implement it when and if they choose by Order in Council and without reference to Parliament. If Mr. Lang had considered the damage this publicity has already caused our image in the international markets for oilseeds, he would have consulted the industry before introducing this measure.

Speaking specifically of rapeseed, we believe—and the Winnipeg Grain Exchange have issued a press release to this effect—that the futures market has been one of the most important factors in the development and fantastic growth of our rapeseed production. Until trading in rapeseed futures was instituted, many years ago the producer had little or no knowledge of what the crop was worth. In the last several years of progressively greater production the producer has been able to market his crop at generally very good prices providing him with much needed cash when other grains were depressed and generally in a mess. To the best of our knowledge, the Rapeseed Association of Canada, all the provincial rapeseed associations representing producers, and all crushers in western Canada are against the Wheat Board taking over the marketing of this increasingly acceptable oilseed; in addition, Japanese exporters and crushers—our most important market—are emphatically opposed and while we are sure that these facts are known to Mr. Lang, why he should include it in the amendment is beyond our comprehension.

The same story may well apply to flaxseed which has been marketed through the open market for as long as this writer can remember except for a brief period after the Second World War when the Wheat Board took it over with dubious results. In all these years the crop has been marketed very efficiently through the open market, with cash returns to farmers generally very satisfactory, subject to the supply and demand picture as all markets ultimately are. The rye crop is a small one and unimportant in the over-all picture with much of it disappearing on the farms and we are sure that nothing would be gained by putting this crop under the control of the Wheat Board.

The reaction to the announcement to bring rye, flaxseed and rapeseed under the Wheat Board at this time has not been good and it prompted the minister to issue a press release dated May 11, 1971, which reads in part as follows:

"Because cash advances will not be available on rapeseed, flaxseed and rye in the near future, the government does not plan any action to bring the marketing of these grains under control of the Canadian Wheat Board at this time," the honourable Otto Lang, minister responsible for the Canadian Wheat Board, said today.

Canadian Wheat Board Act

If the minister did not intend to bring these under the Wheat Board at this time, what was his purpose in introducing this disconcerting amendment which has caused such consternation in all quarters? The minister's press release continued, in the last paragraph:

"But I repeat the government has no immediate plan to change the marketing system for these grains. And I assure producers that before any such change is contemplated there will be thorough discussions with everyone involved," Mr. Lang said.

Perhaps we should look at what the Wheat Board has been able to do in the past few months, keeping in mind what might happen if this amendment is passed and eventually put into effect. There have been predictions by the minister that there will be record grain sales this year amounting to 700 million bushels, of which he has estimated 500 million bushels could be wheat. This seems to be a little optimistic. The grain export figure to April 24 was estimated at 423 million bushels, or an average of 12 million bushels per week. With 16 weeks to go in the crop year, based on the average to date our grain exports would total around 600 million bushels of which approximately 400 million bushels would be wheat. At the end of the 1970-71 crop year there would still be an estimated 750 million bushels in storage.

We had a very late shipping season on the Great Lakes. An estimated 25 million bushels to 30 million bushels less than what would normally have been shipped have been bandied about.

Mr. Lang: It is going to be a record.

Mr. Ritchie: There is no evidence yet that there will be record grain shipments. With the Lift program, which provides 10 million acres more of summerfallow than we have ever had in western Canada, we can expect to produce 10 to 20 bushels per acre more than stubble would have produced. This means we will be faced with 200 million bushels more than we might have expected without the Lift program. In many ways the minister has pushed the surplus ahead one year by this program.

Let us consider what the Wheat Board is doing. It has fallen on bad times. In the crop years 1967-68 and 1968-69 the board's financial position deteriorated substantially. In the 1968-69 crop year there was a \$40 million deficit. The policy of holding grain cost \$102 million, with \$79 million being paid by the taxpayer and the balance being charged to the farmer. This came about as a result of the unfortunate policy forced on the Wheat Board of holding wheat in order to comply with the International Grains Arrangement at a time when our competitors did not comply. This means that the board, which originally had been in an independent position, is controlled not by the producers but by the government, since the government has had to stand behind it.

● (8:30 p.m.)

It is to be hoped that the autonomy of the Wheat Board will be restored if and when it finds itself in a better position. One might ask what the future of the Wheat Board is to be in respect of the relationship