

Not many members of the House will remember the British wheat agreement of 1946 in which for four years we were locked into an established price based on the false assumption that there was too much grain in the world. The price was so poor that at the end of those four years parliament felt constrained to vote a sum of money in compensation to the farmers for part of the money they had lost.

This utilization of the Canadian Wheat Board as a restrictive weapon was not in the original philosophy of the Wheat Board at all. The original philosophy of the Wheat Board was simply that of a pooling device, primarily for a farmer to get an average price regardless of where he sold his grain and regardless of where he lived and the delivery took place. It was averaged out grade by grade.

Since 1949 we have had a constant debate in western Canada over the merits of the compulsory pool versus the voluntary pool. Generally speaking there will be no argument from any western member here when I say the great majority of farmers in western Canada still hold to the belief that wheat, their main crop, should remain under the 100 per cent compulsory pool. That does not mean they are 100 per cent happy with the operation of the Canadian Wheat Board. It means, on their main product, they are content to take this discipline of the pool as being better than going back to the ups and downs of the market mechanisms around the world.

The price is supposed to be set, as far as Canadian wheat, Australian wheat and Argentinian wheat are concerned, by their respective wheat boards. They are supposed to calculate the amount of grain on supply around the world. They are supposed to calculate what the demand is going to be. They then try to set a price which they think will give the best price to the farmer over the whole crop year of selling. Occasionally they make mistakes, and I suspect they made a mistake last September. Only time will tell. That is how the Wheat Board operates. It does not actually sell wheat. It is simply a price setting mechanism to meet the farmers' main demand—that they get an average or pool price.

Turning to this question of voluntary pools, a good many farmers in western Canada maintain honestly and sincerely that all grains produced in western Canada should be under the compulsory pooling of the Canadian Wheat Board. Their arguments are well known. Since we have accepted this principle for wheat, likewise why not accept it for all grains to be absolutely fair to everyone? However, in view of the plebiscite, the minister knows that the great majority of farmers, even though they accept the compulsory pooling of the wheat, are reluctant to go into compulsory pooling of the other cash crops—oats, barley, feed wheat, rapeseed, flaxseed and so on.

An hon. Member: What do you mean by "oats" and "barley"?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Oats, barley, feed wheat and so on are their cash crops. The decision of the minister in this bill is not only sound politically but it has a rationale of economics behind it. The rationale of economics on rapeseed is that there is such a difference between the price

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you get in some years when you sell eastward and the price you get when you sell westward. I do not have a list of comparative figures for each year, but one year, for example, the difference was almost 90 cents, if you were in that part of the west where you could ship your grain westward as opposed to eastward. Each year the difference can vary a great deal. Some of the difference is caused by the freight rate structure, but mostly it is because of where the market is. Therefore, there is an economic argument that those producers who produce rapeseed feel that justice demands, if you are in Alberta or Manitoba, that you should get the same price for an equal product. That is a good argument for equity and fairness; there should be a pooling.

The other argument which the minister mentions is sound and fits in with those who want an average price over the year, as opposed to taking their chances on the day to day quotations on the value of that grain. Even though I have said the great majority of the farmers do not want all grains on a compulsory pooling, a good proportion will go for the voluntary pools, because they feel there is still going to be some competition in the voluntary pools under this bill.

We have several companies which sell rapeseed. Some are privately owned and deserve credit, because they are the ones which went out and developed the markets. Approximately 20 years ago rapeseed was a minor grain from western Canada. Due to the research done by the National Research Council here in Ottawa—the work was actually done in Saskatoon—the difficulties we had in selling our rapeseed have been overcome. It is now suitable to make margarine or a vegetable oil for which there is an insatiable and increasing demand around the world.

There are also private companies and co-operatives, and even if they got together, as the minister has suggested, there would be competition in selling. The price will still be set by supply and demand because the people who set supply and demand prices do so primarily on statistical evidence of past records, potential demands and supposed supply. But they have made serious blunders. The information is computerized and is disseminated worldwide. As I have pointed out many times across the country, the Chicago exchange, with all its boasting, can go so far wrong that it did not even know in 1971 and 1972 that the world was out of wheat. The wheat price sank to about \$1.60 for our top grades. A year later Canada and the United States were out of wheat, and the price went up to \$5 and more.

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The point I am making is that the ordinary farmer, who has little or no time to worry about world supply and demand or to read all those sheets of information he gets, which half the time are wrong, would rather take an average price over a series of years so that he can concentrate his time and effort on farming and not on trying to market. On the other hand, there are other farmers who want all the cash they can get at the time they need it. Some seem to have a sixth sense when they sell. These people would probably want to take their chances