

areas are meeting with approval of the public and providing the service that is necessary in this very competitive world.

Crown corporations such as the Wheat Board should be no exception. So, it was with a great deal of general satisfaction, I believe, that the public responded to the statement of the board some time ago that they would welcome a committee being established to do a complete survey or analysis of the present operations of the Wheat Board and come up with suggestions for improvements. This committee was set up on the initiative of the Canadian Wheat Board and was headed by Mr. Merrill W. Menzies, one of the most knowledgeable men in the grain trade. Mr. A. T. Baker of the Alberta pool and Dr. J. L. Liebfried of the Canadian Wheat Board were two more of the committee members and, just to give it an international scope, two other experts, one from the United States and one from Europe, were added to the committee. The committee known as the Canadian Marketing Review Committee was established in July, 1970 and brought down its report in January, 1971.

Several of the main recommendations of the committee were that the Canadian Wheat Board should continue to be an integral part of our Canadian grain marketing system, that a permanent grains policy group should be established with the chief commissioner of the Wheat Board as vice-chairman, with producer appointed members making up the majority of membership in this group. The report went on to emphasize protein grading, which has already been established and which came into effect April 1, this year. Other suggestions of course dealt with improvements to our transportation, of grain storage, and related matters too numerous to mention here. Suffice to say it was not a whitewash job, as some critics of the Canadian Wheat Board are prone to think, but a very comprehensive but belated study and review of the whole grain marketing situation.

I should like to interrupt my general remarks at this point to quote from an article which appeared on the editorial page of the *Western Producer* for May 13, under the heading "Report on Canadian grain marketing". It reads:

For a number of reasons, the recent report of the Canadian Grain Marketing Review Committee which was considered in a general way in this column in a recent issue merits more detailed appraisal. Perhaps first among the reasons is the fact that this review of Canadian grain marketing was really the first public examination of this important subject since the Canadian Wheat Board was established in 1935. The six-man review committee took its assignment seriously and subjected the many aspects of Canadian grain marketing to a piercing examination and produced a report which is both frank and challenging.

In this and subsequent issues *The Western Producer* intends to discuss the review committee's report under four headings: the importance of the Canadian Wheat Board, the development of Canadian grain policy, grain quantity and quality, and finally, salesmanship.

The assignment was "to evaluate Canada's system of selling grain under changing world conditions." The committee itself put the assignment in a more detailed way in the first paragraph of its 52-page report when it said: "The Canadian Marketing Review Committee was established to make an extensive examination of Canada's grain marketing system with

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special reference to wheat, and to recommend specific changes designed to increase the effectiveness of Canadian grain marketing, starting from the premise that the Canadian Wheat Board system of centralized selling would continue in effect".

The article goes on in a laudatory manner to support the premise of this report on the Wheat Board. I might say, in looking around the Commons, that I am disappointed there are not more members on the government side to listen to and take part in this debate regarding one of our most important Crown corporations.

**Mr. MacEachen:** You have just six on your own side.

**Mr. Southam:** It should be mentioned in passing, Mr. Speaker, that, going back over the years, the Canadian Wheat Board has been one of the main cornerstones in the general structure of the marketing of farmers' grains. The prairie pools, the private line elevators, the Winnipeg Grain Exchange, and last but not least the practically now defunct International Wheat Agreement being the others.

It must be said that the Canadian Wheat Board's measure of success is actually no better or worse than the government's policies that are established in the area of international trade, because it has to be remembered that Canada has to export roughly 75 per cent of her average grain crops in order for farmers to survive, and at a price that should be commensurate with the cost of production. The current lapse in the International Wheat Agreement has caused untold grievous harm to our grain farmers in this respect.

The Wheat Board was first established in the early thirties by the Right Hon. R. B. Bennett's Conservative administration with a lot of opposition from the private grain trade. When the Liberals took office under Prime Minister Mackenzie King they threw out the Canadian Wheat Board. However, such a hue and cry went up from farmers that it was quickly re-established.

It is very interesting to note however that over the years, and with the change of governments from time to time, it seems in reviewing the history of the board that it ran into most trouble when the Liberals were in office. For instance, in addition to the instance I mentioned a moment ago when the Grits tried to disband the board early in its history, I believe it was about August 1, 1946, the then Liberal government signed a British preferential wheat agreement, to last over a four-year period, under which Canadian farmers were asked to take roughly a dollar per bushel less than world market prices. This cost our grain industry approximately \$600 million. The government of the day tried, under the late Hon. James Gardiner, to pacify farmers by putting a token payment of \$65 million into the annual pool. However, the reaction among farmers was bad and this did not enhance the Canadian Wheat Board image in any way. Furthermore it was felt, as expressed by the United Grain Growers at the time, that the farmer, to a much greater extent than other interests, contributed both toward keeping down the cost of living in Canada and providing cheap food for Britain. A payment much larger than \$65 million would have been necessary to offset this undue \$600 million contribution by our Canadian farmers.