

Business of Supply

that we have maintained our percentage of world wheat trade.

I might also add a word about world wheat production figures.

Mr. Lang: Those are the ones that are up.

Mr. Downey: I am again referring to FAO figures. In 1953, the world production figure for wheat was something over 6 billion bushels. In 1969, the world wheat production was 10½ billion bushels. There is certainly a trend towards more world wheat production. The responsibility for failure cannot be sloughed off. This responsibility is right here with our government, Wheat Board and all the complicated machinery that we have administering the whole wheat and grain industry. The Canadian Wheat Board has exclusive power over the Canadian grain industry in every aspect of sales, except those within the province of origin.

It is probably true that the tremendous power now enjoyed by this centralized agency of government was largely conferred upon it with the agreement, and even at the urging, of the producers. However, this was many years ago in times that were vastly different. Conditions of world trade and production are greatly changed today.

In the desperate days of the mid thirties, a Conservative Prime Minister, the Right Hon. R. B. Bennett, created the Wheat Board to help farmers sell their wheat. It was, in its original concept, a help, not an autocratic and all-powerful government body. The concept of that day of the Wheat Board was that farmers were free to sell in the open market, selling only to the Board when the world price fell below that offered by the Wheat Board.

The exigencies of World War II persuaded the government to give the Board exclusive jurisdiction in the field of buying and selling all wheat produced for sale beyond provincial boundaries. After the war, barley and oats were added to this compulsory marketing set-up. Since that time, although it has no responsibility for purchase or sale, the Board has gained effective control of the trade in rapeseed, flax and rye through its control of storage and transportation facilities.

My chief criticism of this evolution of the Canadian Wheat Board from an agency of assistance to one of dominance and dictatorship is that the Board failed to measure up to the responsibilities that automatically went with additional power. This tight little group of five all-powerful czars accepted all the

[Mr. Downey.]

exclusive rights and powers thrust upon them by government and by events, but they neglected to keep abreast of events. They failed to keep up with the times, to modernize their methods and to shift to meet changes in the export and domestic markets. Most dramatically, they failed in their primary task of selling grain. They simply delegated this job to designated agents and became an agency for purchase and storage of grain. That is primarily their function today.

What the Canadian grain industry needs most in today's world market is a modern, aggressive sales agency, directly responsive to the demands of that market and in particular to the best interests of the Canadian producer. Under the existing system of selling, the actual sellers, the designated sales agents of the Board, have no direct interest in Canadian grain as such and no compulsion is on them to feel patriotic about Canadian grain.

The result in recent years has been that Canada has lost sale after sale to old and reliable customers such as Great Britain and Japan. Only recently Canada lost all of its share of the Japanese monthly tender for barley to the United States and Australia.

One of the most disturbing features of Wheat Board operations is the cost to the farmer-producer of their operations. The cost of storage, interest and administration are all deducted from the final payment to the farmer. Over the 15 year period I mentioned earlier, 1953 to 1969, the cost of storage in this country has mounted and has cost the producers and taxpayers almost a billion dollars.

If you visit the prairies, look around to see what we have for all these storage payments. We have supported an elevator system rather than people. Storage payments should be made to the producers. Instead, a vast inadequate elevator system of some 5,000 delivery points was built when, with modern transportation facilities, we could very well have gotten along with possibly 400 to 500 delivery points. We should have plants in the country that have drying, cleaning and blending facilities. Think of the assistance this would be in the eventual transportation and lining up of the appropriate type of grain to sell at our terminal markets.

Administration costs of the Wheat Board run at about \$3½ million. I calculated storage costs and interest to be on an average of approximately \$55½ million, but I notice in one of the minister's press releases that government costs this year will be in the order of