

Canadian Wheat Board Act

high-priced wheat rates later in the year. I submit the same thing could and would occur with rapeseed products.

Both Stewart and Ridell proposed voluntary pools as opposed to contract pools operating alongside the open market. They said contract pools would be too difficult to implement because farmers would not want to sign up for an untried system. Well, they were wrong about that. Contract pools were implemented in 1923-24, when the price of wheat was down \$1.43 from its Wheat Board high. The pools merged and eventually claimed 140,000 members selling half the western wheat crop to a central selling agency. Prices bounced up 65 cents a bushel in 1924-25 and remained 20 to 30 cents a bushel higher than the free pool open market prices until the record crop year of 1928 was marketed for just a little less than the 1922 crop. With the onset of the depression and falling grain prices, the pools ran into insurmountable difficulties. They were unable to realize sufficient returns to make initial payments without borrowing from the government. This saddled the three farmer-owned co-operatives with debts they were unable to pay off until 15 years after that voluntary pool system went broke.

Under this pressure the pool was forced to lower initial payments and it became clear that patronage for new pool periods was sure to decline. Producers reneged on delivery contracts in massive numbers. Bootlegging was not new, Mr. Speaker. In 1926 when Saskpool officials estimated they had 80 per cent of the province's wheat acreage under contract, they received 56 per cent of the deliveries. And that was a so-called voluntary pool, Mr. Speaker.

Some members delivered to the open market when they felt returns there were better. That reduced the pool's ability to maximize returns for all pool members. Although the pool did not survive, it did contribute to economic growth and development in those years, 1923-28. It certainly removed seasonal fluctuation from prices paid to patrons and it appears to have raised prices to producers substantially over what they might have expected from the open market during that five-year period. As a result of that experience, pressure from grain producers was certainly increased—politically, that is—for compulsory pooling and the return of the Wheat Board by educating farmers in the advantages of single desk selling and of collectively extending their risk-taking further into the marketing system to reduce those risks and maximize their return.

The pool of the 1920s, Mr. Speaker, pioneered in the field of market development as a central selling agency. It bypassed the Winnipeg Grain Exchange. It sent agents overseas to promote direct sales to major customers. It contributed to the development of co-operatively-owned storage systems to reduce handling margins paid by producers. The number of country elevators owned by the three provincial wheat pools increased from 119 in 1925 to 1,650 in 1931. That was when the co-operatives controlled one-third of the country's terminal capacity. Those figures represent a substantial part of the 1,667 country elevators added to the system during the life of that pool during the 1920s.

[Mr. Benjamin.]

Let me turn now to a little more recent history. Those provincial pools tried again to return to voluntary pooling in 1959 when they were looking for a tool to encourage rapeseed production. The various voluntary pools achieved an initial 40 per cent sign-up, but four years later patronage had fallen to 18 per cent and the pools were dissolved when the Winnipeg Exchange opened trading on Vancouver rapeseed futures.

Again there were serious problems of bootlegging to the open market where prices were higher. Bootlegging was done through whom, Mr. Speaker? I wonder whether the Minister in charge of the Wheat Board (Mr. Lang) or the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), were he the minister, would implement the provisions of this bill in the knowledge that bootlegging will again be done as it was in 1959. How? Well, through members of the same family; through neighbours; through friends. I can see the Minister in charge of the Wheat Board ordering his inspectors to press criminal charges against members of a rapeseed grower's family or his neighbour or friends. I wonder whether the hon. member for Qu'Appelle-Moose Mountain will gallop around the prairies with him insisting that criminal charges be laid when these people want to volunteer out of a pool they volunteered into.

Some producers contracted only part of their crop to the pool and then claimed that yields had been higher in fields planted for the open market. Little has been written about rapeseed pools but spokesmen from the farmer co-ops say the pools were both unable and unwilling to force patrons to honour delivery contracts. Litigation would have been time-consuming and expensive. It would also have alienated producers who delivered other commodities to co-operative elevators. The pools have been regarded as a development tool. Whether or not they continued to increase production or not is, of course, questionable. In their first year of operation the value of rapeseed rose 60 per cent to just over \$2 a bushel and in the following year production tripled. But prices had been higher in pre-pool days and production in the last two years of the pool operations dropped back to the same level they were in the 1956-57 crop years. That experience has soured the farmer-owned co-operatives against voluntary pools.

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The Alberta Wheat Pool vice president, Mr. Alan MacPherson, has said that their co-operative has had other bad experiences with voluntary pooling for porridge seeds. In some years the co-operative offered only pool buying, and others operated a pool and bought outright as well. In either case the result was the same—the open market got high price seed and the pool got low price seed. These pools will not be offered again by the co-operative owned elevator companies.

Another example is the CSP voluntary pool for sunflower seeds, which continues to operate at the Altona crushing plant. I hope the minister does not try to hold it up as a great example. Mr. Sarsons said that this system is not really a pool. Since the Altona mill is the only crusher, the operation is really a forward contracting operation with price averaging.