

phoned my delivery point at Biggar the other day, there was a quota price for rapeseed and then there was under the schedule a premium of 17 cents a bushel. I have seen that premium go up and go down. Mr. Speaker, I waited some time last fall to deliver a carload of rapeseed, have it shipped to Vancouver, and sold at that point. It realized me \$500 more than if I had sold it the same day at Biggar or, as we use the term, on the street at the elevator. That is a lot of money. A system which takes that kind of toll off the producer at a local point is a pretty poor system.

An official of the Farmers Union did the same thing a year or two ago, made the same kind of money, and made it public. The minister knows it. Anybody who can read knows it. You can get statements from very responsible officials who will confirm this sort of thing. You get a statement such as that made by Mr. Lockwood, the Second Vice-President of the Saskatchewan Wheat Pool, speaking at the Farm and Home Week in Saskatoon in January, 1972, when he said:

• (1220)

—producers must try to guess the course of a daily changing price that's affected by international events, about which they have only limited information.

He questioned the effectiveness of the method of pricing which we are now using and said:

Suspicion that price manipulation "is possible under certain conditions" with the present system of marketing rapeseed has been voiced by Saskatchewan Wheat Pool.

This, Mr. Speaker, is a statement from a public platform by one of the people whose business it is to act on behalf of the farmers in marketing that particular grain. I submit, Mr. Speaker, that when the Winnipeg grain exchange asks for somebody to supervise it, when a statement such as I have quoted is made by a man responsible for marketing grain, when there is the evidence that I have quoted about the imperfections in price and the correspondence which passed between the minister and the exchange, then there is enough evidence to justify giving the producer the opportunity to make a choice.

I do not claim, Mr. Speaker, that the Canadian Wheat Board is infallible, and at times I have criticized it, but it does return to the farmer the price it receives on the market. However, I think it could do a much better job of forward pricing and making forward contracts. I think it could do a much better job than the present futures system. We should explore those alternatives and remedy the present shortcomings.

We know that there will be an excess of grain from time to time, and I think most people agree that there probably is no system which can guarantee to market the total production in any given year. The object is to ensure the best return possible to the farmer and we should seek a method that will accomplish this while giving the farmer the information and the choice. I hope that the parties in this House will achieve that object before this debate ends.

A little over a year ago, the minister in charge of the Wheat Board brought to the House for first reading, and then sent to committee, a bill which would have accomplished this first step. If I recall correctly, he said that it

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was not the intention of the government to force the pace, that it would be the producers who would make the final decision. However, whether the government got cold feet or whether it was the party to my right, in committee it was decided to take out this provision. Apparently, they did not want to give the farmers the choice.

We see reports emanating from Alberta that an agency of government is thinking of getting into the marketing of rapeseed. A statement from the Alberta government indicated their concern and possible intervention. I think they have decided not to act for the time being, possibly because it is a pretty risky venture for one province to go into the marketing of a grain of the scope and importance of rapeseed. They would need to be able to protect themselves from producers on the other side of the line who might choose to unload. I suppose they decided to back off and look at it again.

Experience has taught us that the most effective way of marketing these grains is on the basis of the total producing region. This holds true whether it is the Canadian Wheat Board or whether you are using the so-called open market system. I am satisfied that one of the reasons for our troubles with rapeseed is the open market system, because two futures markets are being operated, one in Thunder Bay and one in Vancouver. The product should be marketed on the basis of the whole region, if the growers would agree. Of course, if the growers wish to continue with the present haphazard system that is their privilege, but they are paying dearly for it. I know, as does the minister and the second vice-president of the Saskatchewan Wheat Pool, Mr. Lockwood, and many other people, that the system is not working very well. The job of any pricing system is to return the price for the product to the producer through the marketing mechanism. Of course, those who operate it are going to take their normal cut, but the people who operate this system are not satisfied with the normal—every once in a while they reach out for the big bite.

Because of the quota system which is now a part of the total marketing system the producer cannot protect himself against the big bite. The producer cannot gather together enough grain under the quota system, forward the grain by the carload and obtain the price that he should get. As I say, he cannot do that because he is not given a large enough quota. He cannot move sufficient grain at any given point in time. So, because of what we are doing, the grain producer cannot always protect himself and obtain the high price under the system to which he is entitled.

• (1230)

Those who advocate the future's market say, "Look, the producer can buy a future at a certain time and assure himself of a certain price; or, he can sell now, in the present, and assure himself of a certain price." Mr. Speaker, that is all very well, but you need a margin of 25 cents; and that margin only protects you to the extent of 15 cents because, if you are long in the market and the price goes down by 15 cents, the brokers will close you out unless you put up more money. To play this market, the producer must have a fair amount of cash. If he uses that cash, he forfeits the interest on it. Very likely he has borrowed it and would pay, at current rates, between 8