

*Canadian Wheat Board Act*

is a contractual measure to which people ordinarily commit themselves in any case, but there are many pressures upon persons who join a pool, as hon. members know, especially if price changes make non-pool prices more attractive. By the use of the permit book, involving basic control over the delivery system which has, for good reason, been associated with the Wheat Board throughout its existence, we may be able to make the pooling arrangements more effective.

Second, in order to offer an advantage which is essential to both the pools and to any major holding operations we propose to allow for the setting of additional prices which will carry the same kind of guarantee from the treasury as exists in the case of the Wheat Board initial price today. This is an important provision, one which may at various times cost the treasury money, but it is designed to encourage producers who might be under pressure of some kind not to dispose of their grain outside the pool. It is another change which makes the voluntary pooling system more viable.

That is the nature of the law. It is a voluntary arrangement. No farmer is bound to enter into a pooling arrangement if he does not wish to. Many farmers who like pooling arrangements believe that the Wheat Board might well set up one in relation to rapeseed, too. Single selling is part of the Board's operation but it is not intended to create a monopoly, or monopoly selling.

The other thing to note is the reaction of the companies or others who may be interested in promoting pooling arrangements. The bill is an enabling vehicle which allows these pools to be created. It provides for an initial price and a permit book to assist in making the arrangement more effective, but the assistance of particular companies, and a good reaction from them, are necessary for its complete fulfilment. I very much hope that the wheat pools on the prairies and other companies, either together or singly, will take advantage of these provisions and move to set up pools for rapeseed so that farmers who want the average price and find it difficult to arrange their own selling without this assistance may have such opportunity.

I commend the bill to the House in the hope we may pass it here and send it to the other place for consideration so that the planning may begin and voluntary pools may be created at a relatively early date.

**Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain):** Mr. Speaker, I think I can put the mind of the minister at ease at the outset by saying there is absolutely no disagreement on the part of the Official Opposition as to the principles of this bill. I would commend the minister also on his manner of presentation. If he does not mind my saying this, sometimes he irritates us by the self-assurance with which he presents legislation. But tonight he was groping, as all honest men must grope when dealing with circumstances of this kind.

The history of these pools, either voluntary or compulsory, goes back 50 years in western Canadian history. I shall not bore the House tonight with all of that history but it is

[Mr. Lang.]

necessary to understand a little of it in order to fully comprehend what the minister is trying to do.

In the early stages of marketing in western Canada wheat prices would always be high as the crop was growing. As soon as the crop started coming off the price seemed to drop to the bottom, at the very time the farmer desperately needed money which to pay taxes, pay for the operation of his farm, set enough money aside to keep him and his family during the winter months and still leave some over to pay for seeding in the spring. When most of these farmers had sold their grain the price always seemed to rise. But then they had no more left to sell.

This desperate human problem encouraged the development of the pools in the early twenties. The pools fell into trouble in 1929, 1930 and 1931. As recently as six months ago a book was published in Winnipeg giving the history of this period more authentically than any book has done before or since. The author did not finish his book—it was completed by others after his decease—but throughout this whole period he was in a unique position to understand what was taking place both as an adviser to the grain business and as adviser to governments. His name was Clive Davidson. He worked under the governments of both Mackenzie King and R. B. Bennett. This man has been forgotten by many but he has shown the dimension of the human problem and what was done in response to it by the governments of that day. What the minister was talking about when he raised the question of the voluntary pools was this. In the thirties when the pools went broke and could not pay for the initial payment, they had to borrow money from the provinces of Manitoba, Saskatchewan and Alberta. When those three provinces could no longer support the financial strain the federal government backed up the loans. As a result of this survival procedure, which was carried on from 1930 to 1932, there was general agreement to support the concept of what was eventually known as the Canadian Wheat Board. In the original bill of 1934 and again in the bill which went through the House partially in 1935, pooling was compulsory. This was fought vigorously, even viciously, if I may use that expression. This was taking away the freedom of the farmer to sell when he pleased. In spite of that, the bill got to the second reading stage, and under tremendous pressure from the opposition, the government amended the bill to make a choice. You could sell to the pool or on the market. That was the system that lasted from 1935 until 1939.

● (2020)

In 1939 part of the history of this parliament, which is forgotten, is that it passed four bills to get rid of the Wheat Board. Those four bills that were passed by this House to get rid of the Canadian Wheat Board were never proclaimed, because the war came along and the government of the day realized that the Canadian Wheat Board was perfect machinery to impose a system of price controls over the farmer. The Canadian Wheat Board was used as a device from 1939 and 1940 to well after the war as a system of controlling the farmers' income—the price of their grain.