

study so that farm groups and various others could attend and encourage Members of Parliament to move in this direction and allow the Wheat Board to get fully involved in this area.

**Mr. Stan Hovdebo (Prince Albert):** Mr. Speaker, I am pleased to speak to this bill and I congratulate the hon. member for Wetaskiwin (Mr. Schellenberger) for bringing it forward. I appreciate the fact that in bringing this bill forward he suggested the extension of the powers of the Canadian Wheat Board so that it could control the movement of grains used for this particular reason.

● (1620)

The history of the Canadian Wheat Board is very interesting. It has benefited farmers in the past and will continue to do so. It was established in 1935. It was operating prior to that, but in 1935 it was given the power to handle wheat and in 1949 the power to handle oats and barley. The circumstances in existence at the time the board was formed are similar to the circumstances today. Prior to 1935 it was quite possible for a farmer to sell grain at one price in the fall and at a different price in the spring. I remember very well my father's selling grain for 75 cents a bushel in October and holding as much as he could until March when he would get \$1.50 a bushel for it. By virtue of the organization of the board and its sales policies this has been evened out so that in this situation a farmer would probably get \$1 a bushel the whole year.

There was another reason for the setting up of the Canadian Wheat Board. It is a reason why the board still exists and why its powers should be extended. That reason is the continued existence of the grain exchange. The grain exchange does today what it was doing back in 1929. The grain exchange claimed to be the farmer's friend and to give him a better return for his grain. It claimed to be the consumer's friend, as it claimed it could sell grain cheaper than it could be sold in any other way. However, in the process of buying grain and selling grain the grain exchange makes money, and it has never been able to explain to me whether it took that money from the consumer or the farmer. There is no added value in the handling of grain by the grain exchange. The exchange added nothing to the grain, so it took money either from the consumer or the farmer.

The establishment of the Canadian Wheat Board and the extension of powers to it continue to be of value. I am glad to see that the hon. member for Wetaskiwin endorses orderly marketing, which has served Canadian farmers well. If we can extend that principle to other products and for other reasons, we should do so.

In the last few months serious attempts have been made to undermine the orderly marketing process. Attacks have been made by what I call flunkey large corporations. It pains me to say this of such a prestigious organization, but one of the flunkies has turned out to be the Economic Council of Canada. This prestigious organization blew its credibility and possibly much of its effective work by using spurious and unsound arguments and half truths about orderly marketing. The council has been aided in this by another flunkey—and

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again it pains me to say this—the CBC. In the last year in the presentations “What Bread Basket,” “Against the Grain” and “The Game of Monopoly” this prestigious organization has succeeded in giving a biased picture of farm life, of grain transportation and of orderly marketing.

This government has allowed the food industry to be dominated by five large corporations. If the government is going to allow that, it should at least even out the odds somewhat by establishing and promoting marketing boards wherever possible. Surprisingly, people like Frank Warnock, who used to be the head of Loeb, supports this position, and I will refer to a newspaper article in this respect. It reads:

Warnock cited the power of those five “who virtually dominate the retail food market” and said any government that allows that must also allow farmers to form marketing boards to protect their interests.

Again I must congratulate the hon. member for Wetaskiwin for recognizing the value of orderly marketing. I hope he will lead his party to support the extended use of the Canadian Wheat Board.

To get a little closer to the subject matter of Bill C-259, it deals with the sale of surplus and deteriorating wheat for use in the production of alcohol. In addressing the question of using food for the purpose of producing byproducts such as fuel alcohol, there are serious ethical and moral problems which must be addressed as a matter of policy. The hon. member used the term “surpluses” in respect of a particular year. If that grain—or that food—was really surplus, it would still be around, and whenever there is hunger in the world there is no such thing as a surplus of food. It was not too long ago that serious opposition was mounted in my province of Saskatchewan to using locally grown malting barley in a malt plant from which beer would ultimately be produced. This opposition was based on moral grounds. There are substantial numbers of people in Saskatchewan and other parts of Canada who believe it is immoral to use food grain for brewing and alcoholic distillation. There is a similar argument about fuel alcohol, and it is a compelling one.

Large scale fuel alcohol and gasohol operations are rapidly being built in the United States, as the hon. member indicated. I recognize that the grain used is surplus or deteriorating grain, but there is still a question as to what happens to large potential food supplies which are diverted to other purposes, even if the byproducts retain a high nutrient value. The answer, of course, is that the price of available stocks goes up.

The director of the United States National Alcohol Fuels Commission has conceded that the United States target of four billion gallons of alcohol from corn would increase the price of corn by 6.6 cents per bushel.

No producer objects to high prices, but some producers wonder if they can ever produce enough food to feed the world. They seem to be producing surpluses, yet millions are starving because their countries cannot afford to buy food grains. This is another aspect of the ethical dilemma we have. In the face of increasing petroleum fuel prices, food grains may become more valuable as alcohol stock than as food.