

*Canadian Wheat Board Act*

correspondence with the grain exchange to ask whether the system could not work better, and they told him they would see what they could do about it. The minister tabled the correspondence at the request of an hon. member on this side of the House.

A particular situation really intrigued me, and I must call it to the attention of the House. We have here a very nice picture of the chief commissioner of the Canada Grains Commission, along with a story in the *Free Press Weekly* of May 6 which tells us that the Winnipeg Grain Exchange has asked the federal government to appoint a supervisor of trading in grain futures. I really wanted to ask the Minister of Agriculture (Mr. Olson), in view of the fact that Mr. Pound, the chief commissioner, is responsible to him, whether he was going to comply with the request of the Winnipeg Grain Exchange to appoint a supervisor of trading in grain futures. I wondered, too, what kind of a wizard they would get to do that job. Would he be some kind of a superman keeping track of the switches and turns of the operators on that exchange? I wanted to ask him that but, as often happens to some of us backbenchers, when we want to ask a question it is not always possible.

The other aspect of the story that intrigued me was that there was an act passed to provide for the supervision of the Winnipeg Grain Exchange. In 1939, Parliament passed the Grain Futures Act to provide supervision and regulation of trading, but it was never proclaimed. Following the 1930's, when the grain exchange system proved to be altogether incapable of effectively pricing the grains which it then had at its disposal, an act was brought in, but it was never proclaimed. If the government wants to do something about it, all they have to do is to proclaim that act. The story goes on to say that if the act is proclaimed, most likely the Canadian Grain Commission will act as supervisor. I do not know where the newspaper got this idea, but it intrigued me. I did not know that it was a part of the function of the grain commission to supervise or even take a look at the Winnipeg Grain Exchange.

• (1210)

Then, the article reads:

Already H. D. Pound, chief of the Grain Commission, has made initial studies of the Washington's Commodity Exchange and the Mercantile Exchange and Board of Trade in Chicago.

Apparently somebody chased the Board of Grain Commissioners off to see how well these exchanges are working down in the United States. There is evidence that the government is or has been somewhat concerned about the effectiveness of the operation of the Winnipeg Grain Exchange. The minister in charge of the Wheat Board was concerned enough to write to the exchange and say, in effect, "You are not working very well; tell us how you can do better out in Vancouver."

Unless Mr. Pound acted on his own as chief commissioner, then either the minister in charge of the Wheat Board or the Minister of Agriculture suggested that he take a look at the operations of the exchanges in the United States. Perhaps sometime during this debate the minister will enlighten us as to whether any instructions

[Mr. Gleave.]

were given to Mr. Pound. So, Mr. Speaker, this is the situation we are looking at in the marketing of this grain.

I want to return to the quota system. Again, here is what the Wheat Board says about its administration:

Once the production of a crop such as rapeseed exceeds 50 million bushels a year, quotas to control deliveries are necessary to ensure that the working space in country elevators remains sufficiently fluid to handle the other grains that must move through. The Wheat Board, acting in consultation with the grain trade, makes every effort to ensure that delivery quotas will not exert undue influence in the market for non-Board grains.

So, we have this interruption in the kind of flow that would be essential to let an open market flourish and operate. But this is not the only interruption we have. The other obstacle we have to the effective operation of an open market is the crushing plants that exist in western Canada, because the crushing plants have staked out a special position for themselves. They have said, "We must be assured of access to whatever supplies are within trucking distance of our plants, or as far as people will haul their grain in to us." They have insisted on special quotas that will allow them to get first call. This is also interfering with the pricing system. If a producer is within range of a crushing plant and he needs money, there is pressure on him to deliver to that plant, even though it may be paying him less money per bushel than the market indicates he might be able to get.

I have just pulled out one of the sheets which are issued by the Canadian Wheat Board, showing the situation as of March 27. Rapeseed under ordinary delivery in all blocks was 17 bushels, and as you go down you notice it is marked 7 bushels per quota acre. The crusher could take 20 bushels per assigned acre, and rapeseed, low erucic acid, was 20 bushels per assigned acre. We do not have a simple quota system such as exists for wheat and barley. We have a quota system which is adjusted to accomplish certain things. This is another factor in this pricing mechanism that makes a difference, and that prevents it from being what it might be or from operating as well as an open market system might operate. The producer is the man who carries the load, who wins or loses under this system, which, far from being perfect, is quite imperfect.

The other thing that is preventing an open market system from operating is that there is now a surplus, or a significant part of the crop which cannot be delivered, and which is hanging over the market. The big claim of those who favoured the open market system was that that type of a marketing system would clear the market. If you had an open market system and you allowed the grain merchants such as Continental, who are the international operators, and coming down past them to National Grain, to UGG and to SASK Pool, free access to the market, no restrictions, they could clear the market. But, Mr. Speaker, that balloon has been exploded. They could not meet the hard test of reality. We did not clear the market.

Now, we come to how the system really works. The street price that is established is an agreed price which two committees of grain companies, one for Saskatchewan and Manitoba and the other for Alberta, decide each day as the price. That is the system we have now. When I