

*Canadian Wheat Board Act*

**Mr. Lang:** Give me the source.

**Mr. Mazankowski:** I am sure the *Free Press Weekly* has a certain amount of credibility, perhaps more than the minister.

**Mr. Lang:** Give me the source. Where did I say it?

**Mr. Mazankowski:** I referred to Outlook 1971. There was the prediction that something in the order of 500 million bushels would be exported.

**Mr. Lang:** Wrong again.

**Mr. Mazankowski:** Then there is the Canadian Agriculture Outlook which is an official publication of the Department of Agriculture. I intend to deal with the question of statistics in a few moments, because it is covered in this article. The correspondent continues:

Exports of wheat and wheat in the form of flour from August 1, 1970, to April 14, 1971, amounted to 261 million bushels. The average weekly rate was about 7.4 million bushels. Based on this average, total exports to the end of the crop year would amount to about 385 million bushels. The minister was reported to have predicted exports of 700 million bushels of all grains of which he estimated 500 million bushels would be wheat.

The all-grain export figure to April 14 was estimated at 423 million bushels or an average of 12 million bushels per week. With 16 weeks to go in the crop year and based on the average to date, all grain exports would total around 600 million bushels of which approximately 400 million bushels would be wheat.

The article goes on to say that the estimated carry-over at the end of the crop year 1970-71 is 750 million bushels, a figure which has been exceeded only twice in the last ten years.

• (8:40 p.m.)

With an estimated 750 million bushels carry-over, it will be readily seen that Canada still has a big wheat selling job in its hands.

Once more Mr. Lang has been issuing figures which are not borne out by the facts. This policy may have a short-run political appeal, but even this is doubtful. Any figures issued by the Canadian government should carry cold, calculated considerations on what can be done, instead of optimistic guesses which do not pay off either with the western producer or Canada's buyers abroad. There is always the danger that a credibility gap will be established which may take years to live down.

It goes on to state—I believe this point has been made by hon. members who have spoken previously—that the board is not an autonomous organization any more. It continues:

—the board is now not a board controlled by the producers but, due to the financial position, must of necessity be under strict direction of a minister of the Crown.

As evidence of this, nearly all pronouncements on policy come from the government and not the board. It is essential that the board should operate in such a way that its autonomy should be restored and that the organized producers should know that the board is operating in a surplus position again. This is the intent and the meaning of the Canadian Wheat Board Act, which gave the board this autonomous position, so necessary for an efficient operation.

When we criticize the performance of the Canadian Wheat Board, the majority of us do not criticize its structure or its principles. What we criticize is the lead-

[Mr. Mazankowski.]

ership it is given. As this article states, the Wheat Board's instructions come directly from the government. A look at the World Wheat Review reveals another interesting statistic. The number of bushels in commercial storage as of March 31, 1971, compared with the same period in 1970, was 170 million bushels of wheat less than the previous year. The Menzies committee recommended that the commercial stock of wheat should not exceed 250 million bushels. While this recommendation is not yet government policy, according to the World Wheat Review we find Canada has 252 million bushels in terminal positions and in elevator positions at the present time. This is down from 421 million bushels last year and 406 million bushels the year before.

What does this mean? It simply means there is less cash being distributed to the farmers. This morning in the agricultural committee, representatives from the Canadian Wheat Board dealt with this specific item and indicated that some 46,000 farmers have outstanding commitments under the provisions of the Prairie Grain Advance Payments Act, and the low deliveries of wheat is the reason for this situation. More wheat is moving this year than last year, but the very fact that stocks in commercial positions are decreasing is playing havoc with the western Canadian economy; correspondingly, much less money is being distributed.

What does this mean in terms of dollars and cents? So far as marketings are concerned, the average yield from the year 1959-60 to 1968-69 as at March 31, was \$278 million. So far this year the amount is \$190 million, almost \$100 million less than the long-term average flowing into the western farm economy. The government says it is pumping another \$100 million into the farm economy under its stabilization program, and it is little wonder that the farmers are in such dire need of an injection of cash. While this is welcome, we are aware of the many additional ramifications to this measure.

The World Wheat Review also indicates that over-all sales throughout the world have increased by 30 per cent this year over previous years. So naturally Canada should be increasing its sales too. The question that we have to ask is whether Canada is increasing its market penetration. There is a great difference between sales volume and percentage of penetration in world markets. According to the Canadian Wheat Board report, at the beginning of the crop year 1969-70 the outlook for an improvement in international wheat trade was bleak. However, optimism grew in Canada as the crop year progressed for it became obvious that the U.S.S.R. and Argentina would harvest lower crop yields and that supplies of quality Australian wheat would be reduced. Naturally, this would have a greater impact on sales by Canada than previous years. But have we increased our market penetration. That is the point of significance here.

This leads me to another matter that I have raised in this House previously regarding the marketing policy of the Canadian Wheat Board. I refer to the various outstanding contracts now held by the Canadian Wheat Board. The minister has commented on these contracts and they are referred to at pages 14 and 15 of the annual