

*Business of Supply*

changing world market. To begin with, Mr. Speaker, I believe the name of the board is wrong and misleading. The Canadian Wheat Board has exclusive jurisdiction over all aspects of trade in grain outside the province of origin. In addition, it effectively controls the trade in oil seed by virtue of its powers over storage and transportation facilities, although it has no responsibility for the export or sale of such produce.

This makes the problem of the Wheat Board a very complex one. The members control the purchase, movement and sale, and I believe each of these aspects requires separate detailed study and radical over-haul. At the very least, the apparent failure of the board to handle adequately its responsibilities with regard to the grain trade in existing conditions calls for a formal and extensive investigation. I am not suggesting a punitive type of investigation, but one the aim of which would be to find better ways of doing what needs to be done.

The fact that the transportation pipeline for grain has become hopelessly clogged while terminal storage facilities stand half empty shows that the Wheat Board has relapsed into being an agency for the storage of grain, not for the movement of grain. This problem is aggravated by instances where flax, rapeseed and other oil seeds cannot be sold to foreign buyers because they have not been placed in a position to be shipped readily. These oil seeds, being beyond the board's responsibility yet dependent upon the board's transportation and storage facilities, come off second best. This is doubly unfortunate when the world appetite for such products is said at this time to be almost limitless.

I believe it is vital that the actual relationship of the board to the producer be studied with a view to improving the flow of market information. The movement and storage questions must be studied individually and, of course, the outmoded Canadian system of merchandising and selling must be drastically reviewed.

The fact that Canada's share of the world market has declined from 30 per cent in the crop year 1953-54 to 19 per cent in 1967-68 is reason enough to investigate. These figures are only for wheat. The situation is even worse when we look at two other grains for which the board has sole responsibility as regards sales, namely, barley and oats. In the year 1953-54 we enjoyed 35 per cent of the world market in barley. By 1967-68 this had

[Mr. Ritchie.]

shrunk to 14 per cent. Oats were even worse off, declining in the same period from 51 per cent to 5 per cent.

To my mind, one of the most serious deficiencies of the present system is its failure to provide up-to-the-minute market information to the producer. The events of the past few years have demonstrated this many times over.

Last October, in an address to the Saskatchewan Institute of Agrologists, Mr. J. E. McWilliam, president of the Winnipeg Grain Exchange, noted the dramatic changes in the world market picture resulting from the increased production of new varieties, changes in demand due to new methods of baking, and other changes in the traditional areas of export sales. He said in part:

The awareness of these developments by the Canadian producer has been rather remote, due to our separation of the market system from the production end of our market system.

He went on to mention other changes in the area of new demands, notably feed grains. I quote:

The demand for feed grain is the fastest growing segment of the export agricultural field. It has increased from 13.6 million tons in the years 1935-39 to 42.4 million tons in 1967. This is over a 300 per cent growth factor in 30 years which is a tremendous market potential.

Last year the Wheat Board was selling barley for export at approximately \$1 a bushel. In September, the board dropped the price of export barley in one day by approximately 23 cents a bushel. In other words, it seemed to have arrived at the stage where it felt our barley had to be competitive on the export market. When we place this fact beside the substantial demand for flax and rapeseed and then consider that the majority of grain producers were not even aware of the demand abroad for these products, we can appreciate the dire need for better information for the primary producer on potential markets, and for closer liaison between the seller and the producer.

Another instance of the failure to keep abreast of changes in the market place, and failure to disseminate vital information to the producer, is found in the radical changes brought about in Great Britain by the adoption of a new baking method. In this traditional market Canada sold 78 million bushels in 1960. In 1968, this amount was reduced to 55 million bushels. The decline was caused by a radically new system of baking adopted in the United Kingdom, whereby bakers there can utilize up to 80 per cent soft wheat and