

encourage production. However, if history repeats itself, the pools will be marketing residual deliveries and will stabilize prices at lower levels than they could theoretically realize.

Initial price setting in the complex oilseeds market will be a difficult task; it will be more difficult if pools do not have the market power—that is, size—to be able to withstand pressure to sell below initial prices. Large well-funded pools could wait out low prices; small ones would have to take their losses or face bankruptcy from mounting storage and carrying charges.

The complexity of the international and domestic market is a key consideration. The additional flexibility that voluntary pooling would add to the system is accompanied by a great deal of additional complexity. The benefits of voluntary pools must be more than theoretical to justify this added complexity.

Bill C-34 adds complexity not only to the rapeseed market but to the non-board grain markets as well. Although current conditions make the operation of voluntary pools in domestic feed grains unlikely, conditions will change and pools would be set up if opportunities for profit existed. If opportunities for profit are not there, I am sure the pools will not be set up by crushers or Cargill or anybody else who wants to make money from the hard labour of the farmers.

This raises the possibility of the federal government guaranteeing 90 per cent of the losses of a privately-operated pool competing with a government agency. Here we have a privately owned pool established by the government to compete with the agency of the government, the Canadian Wheat Board. That does not make sense. Again it is more unnecessary complexity at an unthought of benefit—or cost—to producers. We should be looking after the producers and not creating fatter bank accounts for the crushers or Cargill.

Voluntary pooling will introduce additional complexity and potential conflicts of interest into the prairie farm marketing system and return unproven but at best marginal benefits to producers. The greatest benefits may indeed go to producers who continue to use the futures market.

Perhaps this is one of the reasons behind the bill. Does the minister hope more and more producers will go to the futures market, weaken the authority of the Canadian Wheat Board, weaken orderly marketing and then one day we will all wake up and he will be able to say that very few people are interested in the Canadian Wheat Board and orderly marketing so perhaps the board should cease to exist? I am sure the minister or his advisers have that in mind as an objective when they introduce a bill such as this.

Returns for pool patrons would be maximized and most development benefits realized by a single pool marketing all or most of the crop and with the market power to overcome rapeseed's relative insignificance in the oilseeds trade. However, when producers voted against marketing their crop through the Canadian Wheat Board they essentially rejected the single-agency approach.

Bill C-34 attempts to solve the problems that have led to historical failures in voluntary pooling. However, while it changes the rules, it does not change the game; the basic

Canadian Wheat Board Act

causes of past failures remain. When the government introduced the bill I think they forgot some of the lessons of history I went over in my remarks this evening that made voluntary pooling a failure in the past. The attempt by government officials to reach a compromise is the creation of a beast, and I think is worse than either of the two options open to the farmers. Bootlegging could only be controlled by a compulsory board. The readiness of producers to deliver to outside pools to maximize returns will not magically evaporate.

Rapeseed producers had 40 years of Canadian Wheat Board experience to examine when they voted in the 1973 plebiscite. At least some of them wanted the best of both systems—I think that is what the minister is trying to provide tonight—and that is one of the leading causes of voluntary pooling failure. Voluntary pools, if they are implemented under Bill C-34, are likely to fail again as they have failed before.

For these reasons I oppose the bill, Mr. Speaker. I urge the minister to consider very seriously the changes we have argued for in this House in the past, namely that all prairie grains be marketed through the Canadian Wheat Board and all prairie farmers share the risks and share the profits from marketing their crops. A society develops through working together in this way. When we examine the record we find that voluntary pooling has been a failure in this country; it is not likely to succeed for rapeseed when it has failed in the past for other commodities. I therefore look forward to asking the minister questions in committee and, on behalf of this country's rapeseed growers, hearing him clarify some portions of the bill.

● (2100)

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, let me say at the beginning that I support the minister on this bill. Perhaps it is not the solution everybody wants, and it may please few, but at least it is an attempt to satisfy those who, in the rapeseed plebiscite, showed some interest in pooling rapeseed production. They want to set up some mechanism for pooling. Representatives of grain handling companies told me in private conversation they would be willing to look favourably on a pooling system and, if enough people are interested, it could succeed.

We have only four or five large grain handling companies in western Canada, the three pools, UGG, Cargills, a private company, Pattersons, and a couple more. Farmers through their organizations control between 75 per cent and 80 per cent of all grain handled in the west. Since farmers control so much of grain grown, I see no reason why they should not if they wish set up a voluntary pool system. I cannot say how effective it will be, since if the farmers were to use only one pooling system or the Wheat Board to sell their rapeseed, production would drop off, as would sales.

Rapeseed is fairly widely grown in the west and sold on the open market. Despite the disadvantages of the open market, some farmers prefer to sell on it, including those who have the Wheat Board market their wheat, barley and oats. They recognize, as the hon. member for Yorkton-Melville (Mr. Nystrom) said, that rapeseed forms only a small part of total