

Canadian Wheat Board Act

Mr. SMITH (Calgary West): The hon. member stopped about 1923 in giving the prices. Has he the prices for 1925, 1926, 1927, 1928 and 1929? Did the price not go up from then on?

Mr. JUTRAS: Yes, but I was referring only to the period when prices fell because, as prices fell, the demand for a board grew from year to year. I was not quoting comparative figures; I merely wanted to show that during the four years immediately after the re-opening of the exchange prices fell rapidly and that during that time there was heavy pressure from farmers throughout western Canada for the re-establishment of a board.

I had referred to what happened in 1922. In 1923 the three provinces and the federal government found that there was no competent man available to manage the board and the whole matter was dropped for a while. As hon. members know, from then on we had voluntary co-operative marketing measures, but in 1929 the government was again brought into the wheat business because the three western provinces had to give financial assistance to the pool. In 1930 we had the first instance of the government trying to stabilize the market. I am sure that all members are familiar with the pool selling agency under the management of Mr. John I. McFarland. Without going into the success of that movement. I point out that this is where the government initiated more or less the movement to stabilize marketing, and it was done under very heavy pressure from western Canada.

In 1935, after a change of government, a government bill was introduced creating, in effect, a monopoly board. The bill was referred to the agriculture committee, and the clause in the bill giving the board a monopoly of all grain handling was changed from a monopoly or compulsory board to a voluntary board. Here then starts the dual system of a board handling the wheat, along with sales on the open market. It is interesting to note that the minimum price set by the board was 87½ cents a bushel Fort William, while the average market price on the exchange—I am referring to the cash closing price of the day, as given by the publication from which I have just quoted—was 84 cents, or a difference of 3½ cents in favour of the board.

Mr. SMITH (Calgary West): Is that a weighted average, having regard to deliveries per month or just a flat average?

Mr. JUTRAS: It is the flat average cash quotation.

In 1936-37 we started the year with a board, but shortly after the beginning of the crop

[Mr. Jutras.]

year the board, in effect, went out of existence because, while its price was 87½ cents only if the market fell below 90 cents, the market, shortly after the crop year opening, went over 90 cents and the board marketed no wheat at all.

I draw the attention of the Minister of Agriculture and the Minister of Trade and Commerce to an interesting little incident that occurred in 1936-37. The board's price of 87½ cents was effective only if the market fell below 90 cents. The decision of the government was announced on August 28; but early in the crop year, in some cases by August 1, some farmers had already sold their wheat to the wheat board. Actually they had sold 617,655 bushels to the board. So that the board and the government gave them the choice of buying the wheat back or accepting the difference in price. Most of the farmers naturally bought their wheat back from the board and sold it on the open market, and in that way the treasury lost \$49,574.88. The only reason I mention that is that it is a nice precedent for the government to follow in connection with what happened last October. I agree that there was some difficulty in the government announcing its decision very far in advance. However, it was announced in October and, as a result, many farmers lost large sums of money. I fully realize that some of the companies are endeavouring to pay back a certain amount of what the farmers lost in that way, but if the minister were to ask the treasury to assume a substantial loss this time I am quite satisfied that such a late announcement would not occur again in the future, but the announcement would always come by August 1. In my district particularly, our crop year is early, one of the earliest in Manitoba. We always harvest very early in August, and sometimes in late July, so that any government policy needs to be announced not later than August 1 to meet our requirements. I hope the government will do something about making good the loss that was taken by a great many farmers in my district last fall.

I now come to 1937-38, when we had the smallest crop in history, so that there was no marketing difficulty at all and no board required to take care of the crop.

In 1938-39 there were political uncertainties in Europe and we had a world-wide surplus, so that in that year the board took all the wheat. The board's initial price being 80 cents, and the average market price being only 62 cents, all the farmers sold to the board, getting thereby 18 cents more a bushel.

At six o'clock the house took recess.