

*Canadian Wheat Board Act*

tion plan between farmers who caught the high point of the market and ones who caught the low point of the market.

• (3:40 p.m.)

When the minister brought in this proposal, I thought one of his objectives in bringing these grains under the Canadian Wheat Board was to equalize the returns of farmers under the stabilization plan. This is the only real justification for a stabilization plan. But on May 11, he assured us that he had no intention whatsoever of doing it for that reason. I almost hesitate to ask him if he is introducing this proposal as a threat against the grains trade, so that some time in the future he can say to the companies involved, "Look, boys, if your price to the producer is not fair, there is a provision in the legislation which I can use." Is this a fair assumption to make?

In a press release on April 28 Mr. Atkinson, President of the National Farmers Union, said it had been the practice of grain companies dealing in rapeseed to take a premium at times of 25 cents to 50 cents a bushel, in addition to their regular commission. Frankly, Mr. Speaker, I think Mr. Atkinson is a little extravagant in that statement. Last winter I made a rather thorough investigation. In November, I started to keep careful track of prices paid to producers and to the futures market. Of course, one cannot come up with an exact figure, but I have come to the conclusion that the figure involved here is around 30 cents. As I say, I think Mr. Atkinson is a bit high, but still 30 cents is a pretty good bite. As I say, Mr. Speaker, it is very difficult to get an exact figure because you do not know when an importer is buying in Vancouver against future delivery, whether he is buying the near future, the next future, or so on. But I would agree with a statement made by one of the commentators on the farm broadcast last week that those companies which will have to produce figures of their earnings of this particular crop at the end of the crop year will show rather handsome earnings. In fact, I think they will be somewhat embarrassed when they are reporting to their own producers.

I thought the minister was concerned about two things in connection with this proposal. The first one was to create proper conditions for the stabilization plan, and the second was his concern about the method of pricing. But I want to tell him that he should not really be concerned if the Wheat Board, as sole marketer, takes over the pricing of rapeseed and flaxseed. Some people may think that these grains should be left on what we might call an open market, but I have received a letter from the Winnipeg Grain Exchange in which they informed me I was wrong to assume that the Exchange set the prices for rapeseed. They said this was quite erroneous in that street prices are established by a committee. I am not going to name the companies concerned because I do not believe I am at liberty to do so, but I am at liberty to say that the prices for this particular grain are set by committees of grain companies. The grain companies meet in committee and agree on what will be paid to the producer.

[Mr. Gleave.]

If Mr. Atkinson is right and the grain companies have been picking up this kind of margin in addition to their normal commission for performing a service to the producer, then the minister should be concerned. In fact, Mr. Speaker, the minister was concerned, because some time ago I asked him a number of questions about it. The minister had to write to officials in the trade, but I will not bother to quote that correspondence. However, these officials assured him that there were, shall we say, some inadequacies in the system and that they would do their best to correct them. I do not know how the minister will be able to determine whether they have been corrected, unless he intends to tell the trade, "Boys, these grains are now under the act so you had better stay in line."

There have been some marvellous spreads between the Vancouver market that is the near future, and the prices paid to the farmers. I can pick one date when the future price was \$3.26 and the cash price was \$2.92. In fact, I could quote the figures for many dates, but someone in the Grain Exchange could well reply, "We were not working on the near future, we were working on the one for the next month." In that way, one can sure get a lot of different answers. Really, all we can do is wait until the end of the crop year when some of these grain companies produce their reports. Then, we will know the answers.

I did some digging to find out how the grain companies set the prices they are going to pay the producer. I came up with a figure of about 36 cents a bushel. This was the amount they figured they needed to get a bushel of rapeseed from a point in Alberta into the hands of a buyer out on the west coast. I thought 36 cents a bushel was a pretty nice margin, considering that the freight cost runs around 16 cents. The other 20 cents is made up of elevation charges, and various other charges.

The grain companies included one item which I found rather intriguing. It was half of one cent for invisible losses. I think an invisible loss is a lovely thing. Whoever thought up that term should be given an extra dollar or two by the companies. I asked members of the Board of Grain Commissioners when they appeared before the committee the other day if they knew there was supposed to be an invisible loss. They replied, no, they did not think there was supposed to be any invisible loss. Of course, every grain company that buys grain is legitimately entitled to take a shrinkage allowance to cover loss in shipment whether through handling, in grain elevators or in freight cars. That allowance has remained stable over a great many years, and it has been agreed between the producers and the grain companies that it is sufficient. But these people thought they needed compensation for an invisible loss in order to get at this 36 cents. They charged for weighing and inspection and they charged the farmer for the liner they put in the boxcars. They did not miss a trick. They charged for hauling the dockage out and they then sold it to somebody else.

• (3:50 p.m.)

When the Board of Grain Commissioners appeared before the committee I asked how many cars they