

government policy are determined by the government and we take the responsibility for them. When we saw that the quota system led to anomalous results, we set up a quota committee to try to come to a conclusion and an agreement on the kind of quota system which would be better for farmers and for their delivery pattern. That quota system has been well received by farmers over the recent years since it has been in force. This is the kind of policy matter which is the subject of governmental decision.

We did the same in many other cases where we tried to provide to the Canadian Wheat Board facilities which would allow them to do the job better. We provided credit facilities which had not existed before, and as a result of which the Wheat Board was able to make sales to markets in developing countries and to other markets in competition with other sellers. Without those facilities, the Wheat Board could not have made those sales. Those are right and proper actions for the government to take. We set up a market development fund to encourage the promotion of sales in many different ways. Study after study has emerged from that which can have long term good effects on the industry.

We felt that it was our responsibility to look at the question of how rapeseed should be marketed. It was our judgment that farmers did not have an adequate understanding of the alternatives before them in the circumstances, and we set up a rapeseed committee to analyse the marketing of rapeseed. The committee was composed of producers. The hon. member for Calgary North (Mr. Williams) thinks we are out of step in our view that there was not enough information. The rapeseed committee composed of at least two or three producers of rapeseed concluded that before a plebiscite could be held on the question of marketing more information should be prepared and developed for the rapeseed producers. That is what we did. We sent the committee back to work and they produced a document which has been generally well received as a balanced document analysing the pros and cons of the variety of marketing systems. We are proceeding to a plebiscite on the question of how rapeseed should be marketed.

These are the responsibilities of the government in trying to produce a general atmosphere in which the grain industry can develop properly. We took it as our responsibility to try to provide farmers with the maximum amount of information in connection with market prospects, to provide farmers with information on initial prices on March 1, again a step which has been universally accepted as a step forward in the operation of the grain system in Canada. These are the steps we took. We took steps to make sure that what has happened could happen. We have gone through three years of record sales, increasing each year, and I am confident that we will set another record, the third record, in the current crop year. We are presently at about 28 million bushels above last year.

● (1800)

These are things we can do and ought to do, but the hon. members opposite criticize the sales which were made at different prices. As I say, behind the attacks upon the sales I see, in effect, attacks upon the Canadian Wheat Board and on the Wheat Board system itself.

Wheat Sales

I would like to point out to hon. members that when they make these comparisons they have a golden opportunity for direct comparisons. We have to the south of us a great and open market system for wheat. How has it performed in recent times? For years, it operated on a subsidy system which allowed sales to be made at very low prices. The question which the Canadian Wheat Board had to meet constantly was whether to sell any wheat at all and let the Americans take over the market, with only the Australians in competition, or go ahead and sell at those prices which everybody knew were far too low? It was the Wheat Board's decision in such cases, and I know that the Canadian farmers were with them when they were selling barley at three bushels for a dollar. The farmer believed it was right for the Wheat Board to go into those markets at that time. As I say, we see the two systems selling side by side, and over that time, as I review the prices in the U.S. market and the Wheat Board market, the Wheat Board did a very good job indeed in obtaining a reasonable margin over the United States for the grain it was selling.

Hon. members opposite refer to recent sales. The hon. member for Lisgar (Mr. Murta) raised a question which I know he raised thinking it showed a direct relationship to current sales being made. He raised a question about grain being delivered to Russia and China in the first three months of this year at prices that seemed to be indicated by the export figures that were available at that time. The fact is that some of that grain was being delivered on contracts which had been signed some long time ago.

I remind hon. members of the earlier contract signed with the U.S.S.R. on February 28, 1972, for 129 million bushels. At that time, the Wheat Board's card prices were just over \$1.68, but that was higher than the American price on that date. What do hon. members opposite say we should have done? Do they believe we should have said, "No, we have no wheat to sell to the Russians at this time. We will hold it, perhaps forever. We will plug up our elevators"—as they used to like to do—"and we will let the Russian market go to someone else." It was the Wheat Board's judgment that it was important to hold that market for the future, to hold the goodwill of the Russians, and so it entered into a direct contract for 129 million bushels. There was also an option in that contract for a further 59 million bushels, which was exercised by the Russians on July 18, 1972, when the price on the Wheat Board card stood at \$1.72.

In the next few days, right around that same period, the U.S.S.R. purchased 400 million bushels from the United States, when the price was \$1.63 on the open market in the United States.

Mr. Horner (Crowfoot): An escalating price.

Mr. Lang: It was \$1.63 firm, and that price is the price at which the grain is being delivered today, as it was in January, February and March, to the U.S.S.R. by the U.S. open market. And if I can throw in one additional point for the benefit of the hon. member, farmers in the United States did far less well than farmers in Canada, even proportionately at the price, and the trade in the U.S. did far better in terms of its commission, which does not go to the farmers in the U.S. Here, there is only a very small