

primarily on the question of rapeseed and their proposals for the rapeseed industry. Spokesmen for major grain traders and the government are agreed that it is extremely unlikely that pools will be set up for other non-board grains. Therefore, we should be directing most of our comments toward rapeseed itself.

Other grains such as rye, flaxseed and buckwheat are not produced in large enough quantities to make a pool practical. There are few major buyers. In the case of buckwheat, my understanding is that there about three major buyers in this country, and much of the crop is forward contracted. A voluntary pool is now operated for sunflower seeds by the CSP plant in Altona, Manitoba, which is the major buyer of this commodity. Other companies, notably the company the hon. member for Regina-Lake Centre (Mr. Benjamin) talks about a lot, Cargill Grain, make occasional purchases, usually at the top of the market.

This proposed legislation would enable the implementation of voluntary pools for domestic feed grains—feed wheat, oats and barley—which are now part of the Wheat Board's compulsory export pools.

● (2040)

Since Bill C-34 deals mainly with the question of rapeseed, I think I should turn to rapeseed for a few moments. The demand for compulsory pooling in rapeseed has grown up to a point where a vote was held some three or four years ago which showed that 46 per cent of rapeseed producers wanted rapeseed marketing through the jurisdiction of the Canadian Wheat Board. I suspect that in my constituency, which is a representative area of rapeseed growers, the percentage has increased since the vote was taken some time ago.

Rapeseed was first grown in Canada in 1943. It dies out after the war, but reappeared again in 1955. In 1971 the crop hit a record 95 million bushels in Canada—a spectacular rise. Rapeseed now accounts for 7 per cent to 10 per cent of the Canadian farm income from field crops. However, the production remains very volatile. Even now in the 1970s annual production figures have risen or fallen by 20 million bushels four times since 1970. The returns to the producers have also fluctuated with the rise and fall in the production of rapeseed in our country. For example, if you go back to 1971 you will find that the smallest production of rapeseed was in the crop year 1974-75 when some 41,217,000 bushels of rapeseed were produced. Meanwhile, in 1971-72, 69,838,000 bushels of rapeseed were produced in Canada.

The price of rapeseed to producers also fluctuated almost as widely as the production of rapeseed itself. In 1971-72 it was \$2.16 a bushel to the farmer. Four years later it was \$7.06 to the farmer. A year later, in 1975-76, it was \$5.10 to the farmer—a great fluctuation in the price the farmer was receiving. In the August and November period, for example, preceding the rapeseed poll in December 1973 which I referred to where 46 per cent of producers wanted rapeseed marketed through the Canadian Wheat Board, Winnipeg prices showed a spread of \$2.64 a bushel, ranging from a high of \$6.80 on

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August 14 to \$4.16 on October 2. So you can see that there is a great fluctuation in the price that rapeseed producers get for their commodity, making it difficult for many of them to plan their production, in terms of their incomes and their expenditures, for the operations they are trying to run.

Canada's export position in rapeseed is quite unlike that in wheat. This country controls between 17 per cent and 25 per cent of the world's wheat export crop. The only major competitor that wheat has in world food markets is rice, the annual production of which is usually about the same as wheat. This gives the Canadian Wheat Board appreciable leverage in world markets and makes it easier for them to compete in world markets and to plan ahead.

On the other hand, Canadian rapeseed faces stiff competition from soybeans, peanuts, cottonseed, sunflowers and palm oil in world markets and at home. Processors are relatively willing and able to switch from oilseed to another if price differentials arise, and they make that switch quickly.

Rapeseed accounts for only about 6 per cent of world oilseed production, which is a small percentage. The market is keyed to soybeans; soybeans make up half the world's oilseed supply and 80 per cent of international trade. The market for soybeans, to make things worse, is notoriously volatile.

Canada's position as the world's leading exporter of rapeseed—a 70 per cent share in four of the last five years—is neatly checked by Japan's position as the leading importer, and their share has grown to 70 per cent over the last five years. When the rapeseed debate was going on, both sides in that plebiscite, campaign or debate, cited Japanese opposition to compulsory pooling as an argument for their side. The Rapeseed Producers' Association of Canada argued that producers could not afford to alienate their best customers; the three pools argued that the Japanese position proved that pooling would increase producers' bargaining power.

The pools were outraged when the Minister in charge of the Canadian Wheat Board (Mr. Lang) proposed the operation of a voluntary pool during the plebiscite campaign, when the people voting thought they had a clear choice as to what they wanted to do in terms of marketing their commodity. But part way through the campaign the minister changed the rules of the game. The co-ops felt that the promise convinced some of the wavering producers to stick with the open market in order to try to reap the benefits of both systems. It is like what my friend the hon. member for Regina Lake Centre (Mr. Benjamin) would say, that they wanted to be half pregnant; they wanted to benefit from both the systems. That is one of the reasons why it was voted down.

Whether or not the minister's timely announcement affected the result of the voting is unsure, but it had an impact. Producers did reject compulsory pooling. Only 46 per cent of them voted to market their product through the Wheat Board. Now, more than three years later, the minister is finally making good on his promise to bring about voluntary pooling.

The bill itself allows for the implementation of two types of voluntary pools. In the case of street price averaging, pro-