

Canadian Wheat Board

Minister of Agriculture stated specifically that he supports orderly grain marketing, but seems very hesitant to support the proposition that all feeds grains be placed back under the Canadian Wheat Board.

This motion suggests that the Canadian Wheat Board be expanded and renamed the Canadian Grains Board in order to put all grains under its jurisdiction, including oil seeds such as rapeseed and soya beans. In simple terms, this motion suggests extending the orderly marketing to all the products listed, and treating those products in the same way in which wheat, barley and oats are handled on the prairies now. At present, the Canadian Wheat Board is the sole marketing agent for prairie wheat, oats and barley sold for export or for domestic industrial use. This motion would extend the power of the Wheat Board to allow for orderly marketing of all the grains listed and for the return of domestic feed to the Wheat Board.

The Canadian Wheat Board grew from the history of prairie grain marketing. The men who developed the idea of a central marketing system were pioneers of this country. They came to the prairies from all parts of Europe, eastern Canada and the United States, to own land and to achieve their dreams. The prairies are a harsh teacher. The farmers watched their crops being ruined by grasshoppers, drought, disease or hail. After washing off the dust of the drought of the 1930s, they took what little grain they had to market and sold it for a price of 25 cents a bushel.

Being strong and determined people these farmers were provoked into action. The first agrarian movement had the goal of greater regulation and supervision of the grain companies and the major railways. When this failed, the agrarian movement turned to a central marketing system as the answer. Farmers had experienced the board of grain supervisors in 1917 and 1918 as a wartime measure. They had also experienced the effect of the first Canadian Wheat Board in the years 1919 and 1920. So it was that during the early 1930s, the depression, when the grain industry was tottering, farmers pressed the government for a central marketing system. The administration of the Conservative Prime Minister, R. B. Bennett, from 1930 to 1935 saw the depression worsen, the provincial wheat pool stumble, and their central selling agencies collapse before they were finally convinced of the need for a Canadian Wheat Board.

The establishment of the Canadian Wheat Board in 1935, just prior to Bennett's defeat at the polls, was a surprising legacy left to the grain industry by this Prime Minister, since he spent most of his term in office proclaiming that the open market system would solve all the problems. Mr. Bennett's proposals which received first reading in June, 1935, provided for a compulsory marketing agency, which would take delivery of all grains. During the committee meeting chaired by Mr. Bennett, the legislation was changed to become a voluntary agency, and, surprisingly—or perhaps it is not so surprising—the Liberal opposition under William Lyon Mackenzie King took most of the credit for the bill.

The compulsory factors of the board did not come into being until 1933 for wheat and 1949 for barley and oats. The basic

mandate of the Canadian Wheat Board fits as well today as it did in 1935. It was to provide grain farmers with a more orderly marketing system, to assure them the best return possible for their grain under changing marketing conditions, and to provide the maximum degree of price stability to producers. The motion before us today suggests extending this mandate to more producers.

The Canadian Wheat Board fulfils this mandate through three main operations. It controls grain marketing through a central agency, the delivery of grain to the customers and through a price pooling system it achieves price stability. This mandate implies some kind of supply management which the Wheat Board has evolved over the years as the quota system.

During this past year there have been a couple of situations arise which point out the fact that the position suggested in this motion is acceptable to most farmers and the fact that an open or free market, as it is sometimes called, is causing problems in our market today. Last year's situation also pointed out that lack of an orderly marketing system for all grains is costing the farmers a considerable amount of money. It is causing a number of transportation difficulties because of movement of off-board grains. There are other irregularities which have developed regarding the resale of western barley.

● (1720)

On October 21, 1980, the advisory committees to the Canadian Wheat Board and the Canadian Livestock Wheat Board agreed that, given suitable conditions, the federal government should return control of domestic feed grain marketing to the Canadian Wheat Board by next July 1. This is a rather historical agreement because it is an agreement between the producers and the consumers of feed grain.

In an article printed in *The Western Producer*, Mr. Charles Munro of Embro, Ontario, a member of the CLFB, is reported as saying:

Members are not very happy with the activity of the trade—there was a lot of support for the Wheat Board system.

Mr. Munro said that the Canadian Livestock Feed Board committee was disturbed at the way the open market had been operating recently with traders buying grain.

Between 1976 and 1979 off-board grain sold in Canada cost farmers \$142 million. This money could have been in the farmers' pockets. The figures indicate that farmers had average losses over the last three years of 49 cents per bushel for feed wheat; 16 cents per bushel for oats; and 36 cents per bushel for barley, all because farmers did not sell through the board. There were many transportation problems because of off-board sales.

In an editorial, we find the following:

At a time when the whole grain transportation industry has been working toward greater efficiency some of the most difficult transport tie-ups have stemmed from these policies.

A classic example occurred just over a year ago when an oversupply of barley resulted in producers seeking to unload it by moving large numbers of producer cars into the system. The extra cars clogged trackage and terminal space needed for other purposes.