

*Canadian Wheat Board Act*

between grains, particularly rapeseed and wheat. There has been a prolonged dry season in Oklahoma and Texas. This might mean an increase in wheat sales. The United States, however, has been selling as much as 100 million bushels of wheat to Japan, compared with 30 million bushels sold by Canada and less than 30 million bushels sold by Australia, which by many is not considered to be a large contender.

Then we have the China problem. We have been selling wheat to China. Our recognition of Red China in a diplomatic way should increase our sales there, but we must remember that the United States and Peking have been warming up and it would seem quite likely that the United States, which has embarked upon a strong agricultural drive in respect of exports with a goal as high as \$10 billion, could seriously intrude into this market and some of the sales to China might be taken away from us.

Then in respect of the Soviet Union we are talking about a country which has had a record crop of wheat estimated at 98 million tons, which is an increase of 600 million bushels in the past crop year. Therefore the Soviet Union, to whom we have sold wheat, will be prepared to sell wheat in western Europe, particularly in West Germany, Britain and France. It would seem unlikely that we will be selling much wheat to the Soviet Union, which was one of our main markets in the 1960s. Even the sales of flour to Cuba may not continue.

Rye, flaxseed and rapeseed should not be included in this legislation until all interested parties have been heard. So far rapeseed has been moving very well, with an estimated record crop of 62 million bushels as of August 1. Forty-seven million bushels have been delivered up to the present, which represents about 75 per cent. In respect of flaxseed 46 per cent has been delivered out of a record crop for last year. Sales this year have not been very good. In respect of rye, there was a small crop which is hardly significant.

In respect of flour milling, the report of the grain marketing review committee submitted to the Canadian Wheat Board on January 12, 1971, stresses the difficulties of the flour milling industry which has been a voice in the wilderness. The report met with a deaf ear from the federal government and the Wheat Board. The industry now feels that the board will take some action on its own committee's recommendations, which were as follows:

It is regrettable that the Canadian flour milling industry has been at a serious disadvantage in competing for foreign flour markets quite apart from subsidies granted by other exporting countries. This is the practical result of the present rigid rules governing purchases by Canadian mills for export.

Existing rules regarding wheat purchases should be amended so that flour millers would be able to obtain wheat for later flour export at the board's export prices. Millers should also be eligible for discounts, bonuses, deferred pricing, credit, or opportunities to sell in local currencies when any of these devices are being used in connection with wheat sales, and when flour sales would probably be additional. Millers should have the opportunity to take positions in the wheat markets even though no actual flour sales have been made, provided the position taken in wheat is turned into actual exportation of flour within a reasonable time.

[Mr. Ritchie.]

Mr. Speaker, this is an indication that we must have action and that the Wheat Board has its hands full, without having forced on it the added problem of how to deal with rye, flaxseed and rapeseed. What about the situation in so far as marketing of rapeseed is concerned? In an article entitled "More control on prairie grains?" the *Winnipeg Tribune* of May 13 has this to say:

Ottawa is considering whether to remove rapeseed, flaxseed and rye from the open market to give the Canadian Wheat Board a virtual monopoly on prairie grains. The board now has control of wheat, oats and barley in the Prairies. All these grains must be marketed through the board.

It continues:

Oil seeds, however, are in a different league than the grains now controlled by the Wheat Board. It's a more complex and volatile market. Rapeseed represents only 2 per cent of the oilseed production in the world. It is in competition with many substitutes and requires quicker response to the market. It is entirely different than wheat, which has static markets.

Rapeseed oil is in competition with animal fats, marine oils, soybean oil, groundnuts and with many tropical oils such as coconut oil, and so on. In respect of sales, the record of rapeseed has been quite good. Only three years ago sales were in the neighbourhood of 17 million bushels. Last year the figure was 35 million bushels. It is estimated that this year 70 million bushels will be produced. So far this product has been moving at a very good rate and has provided much needed cash on the farms when other grains have not moved very well. It is expected that this year 40 million bushels will be exported. Much of the credit for this phenomenon, I believe, belongs to the private grain trade and the rapeseed producers themselves who have developed the market. It is not clear how the Canadian Wheat Board will sell rapeseed, whether the Winnipeg Grain Exchange futures will be continued or whether they will use other futures markets around the world, possibly the Chicago market. The rapeseed market follows the soybean market very closely and a movement in the soybean market is reflected almost simultaneously in the rapeseed market.

From the farmer's point of view, the marketing of rapeseed, rye and flaxseed under the Canadian Wheat Board has been a bone of contention. It has not been all black and white. In my experience most of the complaint seems to involve farmers being caught in the quota system because the capacity of the elevators and the transportation system to move rapeseed quickly has been reduced due to too much grain, particularly wheat, being in the system. It has happened that the quota given a producer in one area is different from that given in another area. This, however, is mainly due to the defects in the transportation system and not in the selling system to which rapeseed has been subjected.

● (8:40 p.m.)

The following possibilities seem to be open for selling rapeseed. One is to continue an open market under the Winnipeg Grain Exchange. Another is to close the market and to have the Wheat Board take over all sales. The Wheat Board would then be charged with the duty of selling rapeseed and it would have to develop its own