

*Canada Grain Act*

grain could then be transported by motor truck to the nearest railway line where it could then be moved to an export position or in some cases to flour mills or places where other types of processing of grain are carried on.

That is all I want to say about the matter. The bill is very simple and is almost self-explanatory. Its passage would serve a very useful purpose from the point of view of some of our communities in western Canada.

**Mr. E. F. Whelan (Essex South):** Mr. Speaker, Bill No. C-70, an act to amend the Canada Grain Act, off-track elevator licensing, has been introduced by the hon. member for Medicine Hat (Mr. Olson) and I believe it received first reading last February. I think it deserves a certain amount of commendation and has a certain amount of merit, but there are some facts I should like to put on the record.

The bill concerns the definition of a grain elevator which, according to the board of grain commissioners' interpretation of the Canada Grain Act must, for the purposes of the act, be a structure situated on a live railway line where it can be serviced by rail cars, or a structure situated on the waterfront where it can be serviced by vessels. The bill would change the act so that there would not be a restriction to servicing by railway cars or vessels. In other words, grain could be shipped out by truck without a special permit from the board.

However, the definition envisaged in Bill No. C-70 is much too loose and would permit the unrestricted licensing of any storage space at all, from curling rinks or churches to farm storage bins, with a consequent loss of control by the board of grain commissioners and by the Canadian wheat board. Moreover, it is premature in that the effects of the branch line rationalization program cannot be known for some time yet, and indeed it may never be necessary to go as far as amending the Canada Grain Act in order to accommodate the few elevators which it may be expedient to retain on abandoned lines. The situation has not had time to crystallize yet, so that no one really knows whether or not it is an urgent matter. Meanwhile, as long as there is enough flexibility in the Canada Grain Act to permit the continued operation of grain elevators on abandoned railway lines, although restricted to shipping out only, no urgent problem exists.

The board of grain commissioners does continue to license elevators situated on

[Mr. Olson.]

abandoned lines under an agreement with the Canadian wheat board whereby the elevators may stay open for shipping out grain but, as I said earlier, they are not permitted to receive grain once the line is closed. There are currently 29 such licences in force and the quantity of grain involved is approximately one million bushels.

There are two country elevators that are fully licensed despite the fact they have never been situated on a railway line. One is at Olds, Alberta, and the other is at Makwa in northwestern Saskatchewan. The latter was erected and licensed in the expectation that the railway line was to be built, but this never happened. Producers who deliver to that point now pay 5 cents per bushel extra to have their grain trucked to the railhead. However, these are the exceptions. For those elevators not yet closed which are situated on an abandoned rail line the board of grain commissioners continues a restricted licensing but would not, of course, permit the construction of additions to them and does keep these licences under continual review.

By and large the Canadian grain marketing and handling system was well designed for the purpose of facilitating the export movement of grain and there is no reason for it to be altered now. Accordingly grain should not be stored in any facility where it is not readily accessible for shipment when it is required. Furthermore, experience has shown that grain stored at off-rail sites deteriorates more readily than does grain in elevators where it can be turned over more frequently.

This question has been discussed with the grain handling organizations and they are in full agreement that the effect which the passage of Bill No. C-70 would have on our grain collection system would not be in the best interests of western grain growers. There is a school of thought among the grain handling people that our country elevator system has been overexpanded. Some firms are known to be eagerly looking forward to the day when certain branch lines will be closed because they will then have an acceptable reason for closing down elevators where they consistently lose money.

Because of the Crowsnest pass freight rates and our egalitarian delivery quota system, our country elevator set-up will probably continue in its present general pattern rather than move to the type of elevator system that we see in the United States. Nevertheless some improvements can be carried