

*Canada Grain Act*

In the average year Canada produces approximately 1.5 billion bushels of grain, and in terms of dollar value this represents in the neighbourhood of \$2 billion. To cope with an industry of this magnitude we must have an effective grain handling system and storage facilities. To market grain efficiently we must also have a rational and efficient grading system which effectively serves the available market.

Canada's trade in grain is a very large and very basic component of the total economy and contributes very substantially to the well-being of Canada. The ability of Canada to achieve and maintain her share of the world market will depend in very large measure on the quality of Canadian grains and on effective segregation of the grain into grades reflecting quality differences and the needs of the market. Here I might mention in particular the quality specifications and requirements of our customers.

Advancing technology, Mr. Speaker, is having a major impact on the grain industry of the world. Important developments have taken place in almost all the advanced nations in new and advanced processes relating to milling, baking, malting, macaroni making and other forms of the utilization of grains. For example, bread may now be produced by newer methods based on physical dough development and continuous baking systems instead of on the traditional methods through yeast fermentation.

There has also been considerable progress in methods of scientific evaluation and in control techniques and procedures. These developments have resulted in correspondingly more sophisticated requirements and specifications for grains in world markets. These specifications must be met, especially in view of the fact that alternative sources of supply from other countries have become more and more competitive.

Taking into account these quality requirements of our customers, the legislation that is before the House tonight has been designed to place Canada's industry in a position to meet these new challenges in export and domestic markets. It provides the flexibility to make changes and will enable us to change our standards and our grading from time to time in view of further developments.

The present Canada Grain Act, Mr. Speaker, sets out the grade standards for the various grains in the act itself and therefore can be changed only by an amendment brought before this House. This new bill sets out the

[Mr. Olson.]

grade standards as a schedule to the act. Therefore, the Governor in Council will have authority to change present grade standards, to establish new grades and generally to change the schedule of grades set out for any of the grains included in this act.

In urgent situations, for example, changes in the schedule of grades set out for any of the grains included in this act can be brought about quickly. I suggest that this is essential because opportunities sometimes come quickly and we must be in a position to respond to those changes. As a general rule, however, and in the interests of continuity we think it will probably take at least eight months to change any of these grades. I say that because there is, of course, a very important financial involvement so far as the inventory on hand that has been purchased from the producers is concerned, because that has not yet found its way through the gathering and transporting system to be loaded as export cargo.

The bill also provides for the inclusion of other quality factors such as protein content of wheat in establishing grain standards. This bill places the government in a position to implement, just as soon as is practicable, new grain standards for wheat which include protein as one of the quality factors. It, similarly, places the government in a position to deal with changes in other grade standards which may arise from time to time.

The authority of the Board of Grain Commissioners, named the Canadian Grain Commission under the new act, is also broadened to give the commission the ability to exercise authority, as the situation warrants, over the entire grain elevator system, including facilities such as feed mills and elevators associated with the processing industry. In the past their authority has been restricted to country, terminal, transfer, eastern and mill elevators. The elevators will be classified according to their principal use and will be licensed in a corresponding fashion.

The bill provides for a more complete control of railway cars and of grain movement. Authority, for example, to allocate available railway cars among shipping points will be continued. The Governor in Council will have authority to require elevator or railway companies to place at any particular point railway cars for the carriage of grain. In addition, the Governor in Council will have the authority to decide which minister or agency of the government shall exercise the powers of allocation of railway cars among the points and, indeed, among elevators at a particular