

Canadian Wheat Board Act

● (1630)

Right now there is a question in the United States as to whether the use of corn for alcohol will ultimately see its price rise over wheat, and huge U.S. wheat surpluses which have played a major part in international wheat trade in recent years will be retained in the United States. They will not be put on to the export market. If this happens, what will happen to the food supply of the world? This is a rather daunting picture. U.S. wheat exports now feed much of the world. They will quite possibly be removed by the use of corn to produce alcohol.

As some hon. members know, United States wheat exports for the 1981-82 crop year were 49.7 million tonnes, an increase of 18.2 million tonnes or 58 per cent over four years ago, and more than the exports of the other four major grain exporters, Canada, Argentina, Australia and the European Economic Community, in total. Given the kind of possibility which would eliminate United States grain from the food export market, Canada must make a deliberate political decision, not a market decision, on where our food grain can best be used.

Alcohol production here is still in its commercial infancy, but the patterns will be set now and will be difficult to reverse in later years. Given the pressure on potential food supplies, is it not better to start a fuel alcohol plant using some of the materials the hon. member mentioned, such as wood, crop residues and high carbohydrate non-food materials? Then food grains could be added, but only under conditions of deterioration which would be a total loss under any other circumstances.

Already the Saskatchewan government has made a pioneering effort in the commercial alcohol area, as has a plant in Manitoba. A research contract in connection with the Federated Co-operatives for a pilot ethanol plant is the first step. The research part of the agreement calls for investigation of crop residues and wood as an alcohol feedstock.

Some of the fastest growing trees, such as poplar on the prairies, could well be the basis of part of this beginning industry. I was happy to hear the hon. member for Wetaskiwin allude to these as possible sources for the production of alcohol. Obviously this is a question which needs far more examination and planning before it takes its final form. Too often a plant is built and the raw materials are available for only a very short time.

The Canadian Wheat Board would be an excellent vehicle for determining available grain supplies for such a venture. As a central selling agency, the board can do much to plan and shape a fuel alcohol industry in Canada. However, the board is ultimately an administrative agency, one that is charged specifically with providing farmers with the best prices in the selling of their grains. Thus a political decision must be taken, and taken in Parliament, as to how the broader use of alcohol-source materials can best be deployed. Maybe this should not be the responsibility of the wheat board.

I hope that the government speaker on this bill will give us some information on what the state of government planning is

on this important subject. We on this side of the House always express the hope that the government will have considered something that goes a bit beyond what is happening today.

Too often, I am afraid, the response of the government consists of a few off-topic notes which are suitably garbled by the government spokesman and constitute nothing more than a slap in the face of Parliament and what is the democratic process in Canada. The hon. member for Wetaskiwin deserves better. He has brought forward a serious proposal which deserves every consideration by the government, the House, the Standing Committee on Agriculture, the Department of Agriculture and the Canadian Wheat Board.

I look forward to the government's response as an indication of how it intends to respond to an initiative which I and the New Democratic Party support because it not only exceeds the scope of the most effective government agency in grain marketing, of which I approve, but also addresses itself to a question which has tremendous implications for all Canadians in the future. How we get our fuel in the next few years will be very pertinent to the way in which we live.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, with reference to private members' Bill C-259, an Act to amend the Canadian Wheat Board Act, the government would not support the amendments to the Canadian Wheat Board Act proposed in this bill for a number of reasons.

The Canadian Wheat Board already has the legal authority to take delivery of, to handle, distribute, and so forth, grain for the purpose of producing fuel alcohol. In fact, a company has been established in Manitoba, Mohawk Oil Company, which is at present producing fuel alcohol from grain. This company has had discussions with the Canadian Wheat Board on its requirements and how deliveries of grain for this purpose would be fitted in with administration of the Canadian Wheat Board Act and regulations.

The Minnedosa Company has been granted permission to buy off-board grain as an elevator and account to the board accordingly. It will be buying off-board grain directly from producers. This makes it possible for grain of the type described in this bill to be purchased, if they wish to do so. They may also purchase off-board stocks from out of country elevators if they can find suppliers.

Since its requirements are feed grain, purchases are made off-board and do not fall under the board's quota system. There has to be a notation made in the permit book to meet the administrative regulations of these off-board quotas. Deliveries are made from grains grown in Manitoba and since the byproducts in addition to the fuel alcohol are also sold in Manitoba, this operation is deemed to be intra-provincial and therefore outside the terms of the Canadian Wheat Board Act. Nevertheless, the plant is operating and in compliance with quota regulations under the Canadian Wheat Board Act for off-board deliveries, and there is no hindrance to its operations.