

Adjournment Debate

investigated the question of grade promotion, "uppages" or upgrading and, if he had done so, whether he had assured himself that the farmers of western Canada and the producers of grain in that area are receiving full value for their grain.

The question was asked not only on behalf of the grain producers and farmers of western Canada, but on behalf of the Canadian Wheat Board, which represents the farmers of Canada. They also lose money as a result of this practice.

The minister replied in the House that he would report back. He did report to me by mail rather than doing so publicly in the House so that it could be on record.

In his written reply, the minister stated that the practice of grade promotion was performed under the auspices of the Canadian Grain Commission which reports to the Minister of Agriculture (Mr. Whelan). The Minister of Transport (Mr. Pepin) then said that if there is any specific evidence of difficulties in relation to grade promotion, he would be pleased to discuss them with the Minister of Agriculture.

I should like to quote his answer. He said:

Grade promotion at terminal elevators is closely supervised and controlled by the Canadian Grain Commission which reports to the Minister of Agriculture. I am assured that the commission is carrying out its responsibilities to ensure that farmers are receiving full value for their grain. If there is specific evidence of difficulties in relation to grade promotion, I would be pleased to discuss this with the Minister of Agriculture—

I should like to say that the terminal elevators are entirely different from the country elevators system where grade promotion is carried out. At the terminal elevator system it is perfectly legal to blend grades other than one and two CWRS but by law the blending of other grades at terminal ports, in the terminal elevator system, is specifically excluded. There is nothing to prevent this practice at the country elevator system—that is, the initial system, the first bout, when the farmer delivers the crop he has worked to grow and for which he hopes to receive a good price.

He may be given a lower grade for his grain which the country elevator will then blend with a higher grade of grain, increasing that grade by one point. The farmer therefore loses the difference in price between the lower grade he was given and the higher grade the elevator system receives.

I have heard of institutionalized theft and that is what this works out to. This is the product the farmer has worked all year to grow and he should be given a fair grade and a fair return. The benefit is going somewhere else—it is going to the country elevator system.

I am well aware of the old argument that the majority of grain in western Canada is sold through co-operative elevators and, in turn, they supposedly will give the shares back so that all members receive equally. This benefit is going somewhere else, that is, to the country elevator system.

● (2205)

I am well aware of the old argument that the majority of the grain in western Canada is sold through co-operative elevators. In turn, supposedly the shares are given back and spread over so all the members share equally. But that is not what it is

about. When a person has his own grain which is worth a dollar, why should he not receive the benefit? Why should he not keep it? Why should it be spread out among other members?

There are examples ranging as high as over a dollar a bushel difference in Durum grades; a dollar a bushel between grade No. 4 and grade No. 5 in amber Durum. We have seen this in the past. That is a tremendous difference to a farmer who may deliver 15,000, 25,000, or 30,000 bushels of grain. That could be almost as much as some members of Parliament would lose if they had to take lower pay for their jobs and have their pay blended in with someone else's who performs a little better. In that case, they would not receive full pay.

With respect to the minister's report, I would like to refer to the Booze-Allan report commissioned by his Liberal predecessor, Otto Lang. The report dealt with misshipments and misgradings of grain, and I quote from the report as follows:

The implications of these misshipments and misgradings of grain should prompt the establishment of management incentives and controls which could improve performance—

I know that the Parliamentary Secretary to the Minister of Agriculture (Mr. Ostiguy), who I see here tonight, will be reading from a prepared text, but I hope he will take these thoughts into consideration and take them back to his minister so that the farmers of western Canada can receive a fair dollar for a fair product.

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would very briefly like to reply to my colleague on the other side following a question he asked last May 29. I think that his speech almost contained the answers I am about to give him and which complement the letter he received from the minister responsible.

First of all, we all know that the main object of grain grading is to guarantee to each producer that the product he delivers at a regional elevator is given the proper grade according to the applicable standards as defined by the Canadian Wheat Board.

In cases of dispute over a shipment, a sample chosen by the producer and the elevator representative is sent to the chief inspector appointed by the board. His decision on the grade given is binding on all parties.

Once the product is in the elevator and has changed owners the agent representing the silo can, if he so wishes, mix the grain if he has to upgrade it. I think that the hon. member even mentioned this a moment ago.

For example, he could buy from five different producers 5,000 bushels of wheat of top quality grade No. 1 and 5,000 bushels of grade No. 2 wheat—higher than average for this grade—and mix both and ship 10,000 bushels of grade No. 1 wheat. Of course this extreme case is strictly for illustrative purposes. In practice, Mr. Speaker, grain improvement through mixing at the regional elevator allows an over-all