

Wheat Board so as to allow it to purchase and market surplus or deteriorating grain for eventual use in the production of fuel alcohol.

This bill would amend the Canadian Wheat Board Act in such a way that the board would be able to purchase surplus grains in years of surplus as well as grains that for some reason do not meet the requirements of the Canadian Wheat Board for sale for human or animal consumption. This maybe because of the presence of certain weed seeds, or for either human or livestock consumption.

In the situation as it exists today a farmer cannot sell that grain to an elevator agent who is buying for the Wheat Board if that grain is rejected for one of the reasons I have outlined. However, we have the capacity and the technology to produce alcohol from those types of grains. By allowing the Wheat Board to become involved, we would enable farmers to sell these types of grains to their elevator agents on an equitable basis rather than having to find their own markets.

The other important aspect of this is that many of the plants capable of producing alcohol—at present we only have one in Canada—may not be situated in areas where frost may have produced large amounts of grain with a high nitrate content. With the adoption of this measure, agents could buy that grain and easily ship it to the existing plant in Manitoba, or others that hopefully will either be built or converted in the future to the production of alcohol.

If we look at past years we will find that we have had surpluses of these types of grains in Canada. Let me go back as far as 1967. I would note that the Canadian Wheat Board considers eight million metric tons of wheat as a normal carry-over, the kind of carry-over that must be maintained to ensure self-sufficiency in our nation should we experience a total crop failure. This would allow to continue year by year without a break, so to speak, in the pipeline system.

In 1967 we had a carry-over of 18 million metric tons. This meant some ten million metric tons of surplus. In 1968 we had a carry-over of 23 million metric tons; in 1969 we had the largest surplus in our history of 27 million metric tons; in 1970 we had 19 million metric tons; in 1971 we had 15.5 million metric tons; in 1972 we had 10 million metric tons, and the same in 1973. In those years we had substantial surpluses. This inhibited our farmers to a great extent in obtaining the kinds of returns they needed in order to continue this production on their farms.

Had this measure been in place at that time, perhaps the Wheat Board could have helped our farmers in a domestic way to alleviate their problems in relation to production surpluses.

In the early 1970s, 1972 and 1973 we had a huge surplus of barley on the prairies. Many of us who are farmers remember selling barley at three bushels for a dollar. One might say it is nice to have a surplus, and it is. However, the government has an obligation to our farmers to attempt to market these surpluses in any manner possible.

Today we are inhibited by our transportation system. The difficulty arises not because of the lack of world markets for

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our grain, but rather because we do not have an adequate transportation or port system to handle the grains presently grown on the prairies. This bill would allow the Wheat Board to assist the farmers in coming years until the Minister of Transport (Mr. Pepin) commits the \$1.5 billion he has promised. I must say to that minister that this money is desperately needed for those improvements that should be started today so that within four years we can move to a quota system on our tracks, and I would plead with the minister to make every effort to provide that money.

We have the ability to produce certain grains with tremendous yields in various regions of our country. I could use as an example the Lethbridge area where substantial irrigation has and is taking place and we can now produce soft white spring wheats at the rate of 125 bushels per acre and up. Often we have not had a market for these grains, even though we were producing them, and they jammed elevators in the area. Farmers had great quantities stored on their farms. The government was unable to sell this grain and we ended up putting it into our foreign aid programs. That is an admirable use, but these quantities of grains could be used for fuel alcohol production. Following alcohol production the protein could be used for human or animal consumption.

I recall there being a substantial frost in Saskatchewan two years ago and many farmers only had a three-bushel quota for number three utility wheat for the entire crop year. They had to carry that wheat over for some considerable time before being able to market it. That type of grain could very easily be used for the production of alcohol.

What I am trying to point out is that there is a need in this country for this kind of legislation so that the Wheat Board could assist us in times of surplus and at times when we have grades of grain that are not fit for human or animal consumption. I am hoping that members of this House will find this bill important enough, although it may not be drafted perfectly, to send it to the committee for further study and recommendation.

A draft paper on alcohol fuels, which was used as a background piece for the 1980 discussion paper on liquid fuel options, indicated that a concerted federal and provincial effort could result in fuel alcohol production of some 600 million gallons per year by 1990, if we get started today. This would be the equivalent of 400 million gallons of gasoline or 5 per cent of the projected gasoline requirement for this country.

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Many people have been reluctant to have countries commit what is called human food to the production of alcohol because they believe the byproduct is unusable. This is not the case. In fact, the fermentation process really only converts the starches and sugars into alcohol and the protein is the byproduct. It can serve as an excellent animal feed and can be recycled, with proper methods, into an excellent food for humans as well. In fact, the rich protein byproduct feed for animals is even more effective than if they were fed wheat, barley or oats before it had been put through that process.