

*The Budget—Mr. Motherwell*

government on their guard. It is easy to start these practices but difficult to stop them. These practices invariably begin under Conservative governments and then it takes the succeeding government nearly all their time in office to stop them. In 1930 an attempt was made by some of us to prohibit the mixing of grades and a compromise was reached, prohibiting mixing in the four top northern grades and permitting it in the rest of the grades. As a matter of practice anything that is not prohibited under the grain act is usually done; that is the substance of the matter. It is not particularly made illegal, but it is not prohibited and therefore it is gone ahead with. I have grave suspicions and pretty reliable information that the law is being broken with respect to the four top grades. I did not hear the first remarks of the hon. member for Macleod (Mr. Coote), but I understood him to be drawing attention to the special binned top grades. These grades are isolated and special binned for their quality and are sent to the United States, where a premium is paid therefor. That is exactly the way it started before, only it was with carloads; carloads were switched and cut out and sent somewhere—usually to our millers. To the extent that that was done, what was exported overseas was correspondingly impoverished in quality.

There can be no doubt about that. If you have a dozen apples on that table and you take out the three best, then the other nine will be of a lower average than the original twelve. Anyone can understand that. Mr. Hanson, replying to Mr. Vallance, stated as reported at pages 2069 and 2070:

As regards the degradation,—

He uses a stronger word even than I used.

—by reason of this special binning, of the quantity that goes into the export trade, I agree with the hon. gentleman. But it is permitted by the act and I do not think that any great harm is done where the quantity is so small. I believe that is the opinion of the commission. Of course, if it assumed larger proportions it would be a different matter.

I have not the exact figures from the bureau of statistics, but I know that the export of milling wheat to the United States has greatly increased this year. Earlier in the season it was estimated to be between 35 million and 50 million bushels. There is nothing however to indicate how much of that has been special binned in the manner I have described, or how little, but the opportunity is there, and I think it is high time we dealt with that questionable practice.

About a year ago I received from a former superintendent of a terminal elevator at Port Arthur a statement to the effect that the mixing practices that had been prohibited, not only those that I have described but the actual physical mixing of wheat, had been reintroduced by some terminals in every conceivable way, as much as they dared and

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could get by with. I have no reason to doubt the accuracy of that statement. I purposely refrained from bringing it with me, for I do not think it is wise to disclose the identity of this gentleman, because prospective witnesses sometimes have a habit of disappearing. I must ask the house to take my statement. I hope it is not stretching a privilege too far when I assure the house that I have in my possession a very lengthy document volunteered by a former superintendent of a terminal elevator indicating that these practices are being largely carried out now.

Mr. BENNETT: What year was that?

Mr. MOTHERWELL: 1933 and since. If that is so, I do not think there is an hon. member in this chamber who will not want our Canadian wheat protected from debasement. We speak of defaulting on bonds, defaulting on anything, and we shrink from it. When we do not live up to our wheat certificates, or for that matter our cheese certificates or any other certificate which the government of Canada is behind, we default just as much as we do when we default on bonds, and I hope that this will be the view taken by the committee, and that this investigation with respect to marketing will be sufficiently wide to take in the question of maintenance of quality. I hope to see this done, first, to remove the evil, and secondly, for the reason that the very first prerequisite of marketing is to have a good article to market. There is an old adage that if you buy an article right it is half sold. I do not know whether the chairman of the price spreads committee will agree with that. In order to buy properly you must buy in bulk, and that means mass buying. And this is equally true. In order to sell wheat or any other cereal or commodity properly you must produce right and deliver to the prospective customer right, and then your product is half sold. Anything that works to our disadvantage, anything that removes the edge we have over other wheat, puts us at the mercy of our competitors. We must compete against the depreciated currency of two of our very strongest opponents, the Argentine and Australia, but we have two advantages to offset that. I am going to make one admission now in the presence of the right hon. leader of the opposition (Mr. Bennett). After inquiry I believe we have a slight edge by reason of this six cent British preference on wheat. I will not go into that matter at length, but I think I owe the right hon. gentleman that admission.

Some hon. MEMBERS: Hear, hear.