

Canada Grain Act

about the domestic market being in a different category, because we do not have a market of any size there.

If we buy a bag of flour from Czechoslovakia, when that bag arrives in Canada the protein and grade will be marked on it. All the particulars will be there. If we buy a bag of flour from Canada, we will be told that it is Canada's finest, the best procurable or that it is 100 per cent pure or something else which does not relate to grade. In Canada, we do not demand that there be any standard marked on the bag when the flour is for domestic consumption. The type of information marked on the bag is to the effect that it is general purpose flour or pastry flour. There is nothing which has any relation to grade, either internationally or domestically. There is no indication whether it is first or second grade, frozen, or has stones in it. Really, we are interested only in international grading. We must come to some understanding in respect of what that grade is, what our relationship to it is and what steps we should take in this regard.

In relation to this bill, the minister indicated that there will have to be more flexibility in our grading. He said the grading will be done by order in council. He said that new grades will be established by order in council when necessary, with certain limitations, provided certain other emergencies do not develop. I am not sure that is a bad thing. I am not sure it is good either, because I really do not know on what basis we are to establish these grades. I am of the opinion, however, that in Canada we have been overly protective of a system which may have become archaic many years ago. As everyone knows, we have developed recently a certain type of wheat with a low protein content but a very high yield. If we are to continue the production of wheat for feed grain purposes, then obviously it will be necessary to increase our production per acre in order to reduce our cost of production because that grain certainly will not sell at the same price as high protein wheat. So, I agree that there will need to be flexibility. But I believe there has been flexibility, although there has been reluctance on the part of the grain commissioners to accept that flexibility.

It was not too difficult for this particular minister, rightly or wrongly, to make the decision almost immediately that several new types of wheat would be released. This is really the first release in respect of a new

type of wheat. There had been slight modifications over the years, but this is the first time in many years that a totally new type of wheat has been introduced into the grading system. So, there is flexibility.

Mr. Olson: That is progress.

Mr. Peters: I am not arguing that it is not progress. I think it is. But we had this flexibility under the old act, and also had a certain stability which in my opinion protected some farmers who were of the opinion—and they were certainly so advised—that the type and grade of wheat they were producing should not be reduced because the world was depending on No. 1 Northern high protein wheat. It seems that this really is not true. I hear that even Great Britain is buying wheat today on a straight protein basis from places like Argentina and Australia and apparently we are not able to meet that demand.

To be fair to the minister, I think he has done a number of other things, good and bad, which have had some effect on this situation. One of these has been the establishment of the block system. I think this system was established on the basis of the original concept of the terminal elevator. It was originally intended that certain grades could be established at inland and terminal elevators and delivered in both boat and trainload lots to the port terminals. However, over the years there has been a tendency for the country elevator to get rid of the type of grain that is most difficult to dispose of and at the same time fill up the elevator again because that is how they make their money. I can remember one Member of Parliament a few years ago telling us that he was lucky enough to have loaded a car with flax seed or mustard seed and when this boxcar arrived at the coast it just happened that it was in the right position at the right time. He was able, therefore, to sell it for two or three times the amount he would have received otherwise because the buyer was there when the car was in position at the coast.

There has been considerable loading and shipping without any relationship to the ability to export or sell that commodity under a reasonable price structure. This has created some problems. I still do not understand why a transport controller has not been established. I realize the block system partly solves the difficulty in this regard, but we have had problems and I expect this fall and next year we will have problems again. I believe we will have these problems until someone is