

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[English]

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF
AGRICULTURAL COMMODITY AND BASE PRICE

The House resumed consideration of Bill C-50, to amend the Agricultural Stabilization Act, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wonder if there would be consent to reverting back to the procedural question that was raised about motions Nos. 1 and 3 standing in the name of the hon. member for Crowfoot (Mr. Horner), and motion No. 2 standing in the name of the hon. member for Red Deer (Mr. Towers).

The Acting Speaker (Mr. Penner): The suggestion is made that we deal with the first three motions to amend Bill C-50 at report stage at this point. Is that agreed?

Some hon. Members: Agreed.

Mr. Reid: Mr. Speaker, on taking a look at these three motions I think it is quite clear that they all propose additional charges against the revenues of the Crown. I do not think it is necessary for me to read the royal recommendation. It is found on the page opposite page 1 of the bill. It lays down the limits beyond which parliament cannot proceed on the money that can be spent.

I direct the attention of the House to Beauchesne's fourth edition, citation 246(3) on page 207, which reads:

The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down *once for all* (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objections and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

I would point out that in the case of motion No. 1 an additional commodity is added. In motion No. 2 the conditions are changed so as to change substantially the base price upon which future payments are to be made, and in motion No. 3 the word "five" being changed to "two" is a significant change in the number of years over which the stabilization program is to take place. So I would argue that these three motions offend against the royal recommendation and the traditions and principles of the House of Commons, and therefore cannot be put.

Mr. Gordon Towers (Red Deer): Mr. Speaker, this afternoon I dealt with motion No. 1 and I suggested then that it

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corrects an omission by the minister. I had hoped that he would have included that commodity in the bill. I believe it is a very serious omission. However, in view of the argument presented by the parliamentary secretary, and in view of motions Nos. 2 and 3 which possibly could be dealt with together, you may wish to separate motion No. 1 from the other two. I want to point out that clause 3.8.2(1) reads:

The prescribed price of an agricultural commodity in a year shall be, (a) in relation to a named commodity, the amount obtained by adjusting ninety per cent, or such higher percentage as the Governor in Council may prescribe, of the base price thereof for a year by an index calculated in such manner as may be prescribed by the Governor in Council to reflect the estimated production costs of the commodity in the year as compared with the average of production costs for the five years immediately preceding the year;

My point is that this expenditure has already been covered in the clause, and the purpose of motion No. 2 is merely to clarify exactly what is included in indexing. This was debated at considerable length, and the minister himself stated that he would take into consideration the cost of fertilizer, the cost of labour, the cost of gas, and all the input costs of a product. If he is going to include all the input costs—and I agree that he should—transportation costs should also be included, and so this amendment is needed for clarification. This does not necessarily mean that the amendment will cause a considerable increase in expenditure.

I ask you, Mr. Speaker, what is the transitory expense of an agricultural product? Should you consider its cost to a certain point only, from the combine to the bin, for instance, and disregard any other cost? I assume that the minister will consider the cost of transportation of grain sold outside the Canadian Wheat Board to market as part of the cost of production. This amendment is just for clarification. It could have been included as an encompassing clause, but since we are not sure about that, it was included for purposes of clarification.

With regard to motion No. 3 we find that deleting the word "five" and substituting therefor the word "two" will create no great expenditure of money. It just means that the averaging cost instead of being calculated over five years will be calculated over two years. In fact it could well be that as a result there will be a lesser expenditure if this amendment is adopted. The parliamentary secretary, in my opinion, is misleading the House when he states that an extra expenditure is involved here. By reducing the number of years to two we will be making the cost of production more realistic.

I trust, Mr. Speaker, that you will seriously consider this amendment, and at least allow the second and third amendments to be debated because they are of fundamental importance. It is certainly a matter of clarification. It is tidying the whole bill up, and it does not necessarily mean that there will be a greater expenditure. It is just a matter of clarification so that the producer will know exactly what will be constituted as a cost of production.

● (2010)

As I said earlier, this is covered in the previous clause 3.8.(2), and I would hope, Mr. Speaker, that you will look favourably upon the reception of at least two of these amendments, if not all three.