

Canadian Wheat Board Act

small, close to an elevator or far away, an opportunity to deliver a certain percentage of grain throughout the whole delivery season as sales opportunities arise.

One of the amendments we propose will see that grain that is delivered through a producer car or a platform car must be entered in the quota book the same as grain that goes through the elevators. There is a technical concern that the Act may in fact give producers who deliver through the producer-car system the opportunity to deliver grain without having it shown as part of the over-all quota. In that sense, they are able to have an advantage other producers do not have because of these additional delivery opportunities. We are simply changing the Act to see that that will no longer be done. I am not sure that it is being done deliberately, but there is a concern that because of the way the Act is worded, grain delivered through producer cars may not in fact have to be entered in a permit book.

The second amendment we are proposing changes the definition in the Act for legal purposes of what is now Canola. Some Hon. Members may know that in 1960, Canada, through some very dedicated research and testing, developed a strain of rapeseed with very low erucic acid. It has become very much sought after internationally and it is a very high quality product. Canadians gave it the name Canola. One of the amendments simply change for legal purposes the definition in the Act from rapeseed to what is officially called Canola. Again, it is a rather technical amendment, but one that brings the Act up to date.

The Canadian Wheat Board usually operates with five commissioners. The Act calls for a minimum of three and a maximum of five. Associated with the Wheat Board is a producer advisory board whose members are elected by the producers. As such, they are allowed a per diem and expenses for their activities as part of the advisory board.

The advisory board meets on a regular basis, approximately once a month. There have been occasions in the past when the advisory board has set up special committees to deal with certain topics that need to be looked at by a smaller group and on a more concentrated basis. There is no provision in the Act to allow for advisory board members who are part of a special committee to receive any kind of expense allowance or per diem. The Bill will simply amend that to allow for per diem payments to members of the advisory board who sit on special committees of the advisory board to the Canadian Wheat Board. That is something we think is useful and something the board has recommended. The Government is very pleased to recommend it to the House.

Just by way of example, it might be of interest to know that right now, there is an *ad hoc* special committee of the advisory board looking at the over-all quota system and how it applies to producers in the Wheat Board area. That is an example of how this amendment could be used.

The other two amendments simply provide for changes that we think are useful and will allow the board to run its affairs

on a more equitable basis. I might say also that all of the proposals we have in front of us for amendments were recommended by the Canadian Wheat Board.

● (1530)

The fourth amendment we are proposing has to do with the financial operations of the board. To pick a figure, the board regularly markets 25 to 30 million tonnes of grain. If you take an average price, even at today's very low market, of \$100 a tonne you can see that the board regularly deals with literally billions of dollars a year. It has a big responsibility for managing its cash flow.

The Act limited the board to borrowing from chartered banks. In the last 10 years things have changed. Markets have altered considerably. The banks are not the only place where people can raise funds. There are other institutions such as trust companies and credit unions where you can raise money for a Crown corporation the size of the Canadian Wheat Board. The amendments we are proposing will be very useful to the board in managing its fiscal affairs in a more effective way, thus saving producers money.

The board has a very significant financial section itself. It has a treasurer, internal auditors, several chartered accountants, and is subject to an external audit every year when it presents its report to the Government. We think these measures will allow the board to be more effective, not only in borrowing money but in investing its surplus cash from time to time.

The last amendment changes the provisions dealing with cost assessment when producer cars are loaded. Most grain on the Prairies is shipped through an elevator system. Certain interest and carrying charges are then deducted from the price the producer receives. There is a relatively small amount of grain which is not shipped through the primary elevator system. The grain is loaded by producers directly into producer cars. Grain shipped that way to export points, whether it be Thunder Bay, the West Coast or Churchill, even if it does not see the inside of an elevator, by regulation incurs certain charges as if it had been stored in an elevator.

When you talk to people that load producer cars they say they think that is not correct. They think because their grain does not see the inside of an elevator it is not fair to have to pay these charges. On the other hand, some people see the issue from a different point of view. They say we have an integrated system where costs are shared. Regardless of whether or not you use an elevator, you benefit from its existence. We all would have to admit that it would be impossible for Canada to move the amount of grain we do if it was all loaded individually into producer cars. They say that even though the grain does not go into an elevator it has benefited from that elevator because it makes the whole system operate more effectively and more grain is moved out, thereby providing a benefit to the person who delivers his grain through a producer car.