

Canadian Wheat Board Act

Mr. Benjamin: Mr. Chairman, I would take it from the minister's reply that he would envisage recognizing only bona fide grain companies or people who are in the grain handling business, whatever the nature of the company is, whether it is a private company, a wheat pool, an agency in the Winnipeg Commodity Exchange or a broker in Vancouver who can get contracts from 20,000 rapeseed producers. In the minister's view, it would be someone who is already in the grain business. I do not mean this in a derogatory sense, but suppose the Palliser wheat growers wanted to sign up 10,000 or 20,000 rapeseed producers, would that be considered an appropriate association? Would the minister prefer to stick to one that is already in the grain or rapeseed handling business?

Mr. Lang: Mr. Chairman, I would see that association as eligible, as I would the Rapeseed Growers Association and the National Farmers' Union. Just as long as we do not try to press that analogy too far, I do not mind giving that offhand account.

Clause agreed to.

On clause 2:

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, it is on this clause that I would like to ask the minister if he can explain to the committee how he envisages the financial responsibility of a marketing plan under the bill before he will accept it. He must have in his mind some criteria as to how these voluntary pools can satisfy the minister. They have the capacity to administer successfully up to a point. If there is inability to sell the grain they have contracted for, will they have the finances to meet storage costs and interest costs?

Mr. Lang: Mr. Chairman, under this clause the proposers of a plan will have to satisfy the governor in council of their financial ability to carry the plan forward with the necessary bonds, insurance or other security to cover their potential indebtedness within the plans they are establishing. I can see that meaning a certain assurance of viability would allow the undertaking of a certain number of contracts for a certain volume of rapeseed. If the proposers of a plan wanted to go beyond that, they would have to extend or add to their financial viability. We will want the assuredness that the financial viability is there, quite apart from the guarantee we may give at the initial price.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I realize the minister has great difficulty in saying that he is sure, because we do not know what will be the case. To follow that up, can the minister visualize a situation where one of these pools, fearful of the financial responsibilities above the initial payment, will restrict the number of contracts they are willing to accept?

Mr. Lang: Mr. Chairman, I can see that as being possible if the pool in question was a small organization. Some of the organizations we have contemplated, such as the large wheat pools on the prairies, would not likely have that problem. I could see eligible administrators having that difficulty.

Mr. Nystrom: Mr. Chairman, I have just one short question. From reading the bill, I take it there is no definite time frame as to how long the pool should last, whether it is a year, two years or five years?

● (2230)

Mr. Lang: That is correct. There is flexibility there for the proposers. I think ordinarily we are thinking in terms of one year periods, and I doubt that anyone would propose a longer period; but there may be some advantage seen in shorter periods so that any rapid market fluctuations may be moved out of the pool.

Clause agreed to.

On Clause 3.

Mr. Nystrom: Mr. Chairman, it appears to me that the number of people participating in a pool is left wide open. Is there any minimum size or maximum size, or is it just a wide open affair?

Mr. Lang: That is not spelled out. In that sense it is wide open. A certain number would have to be sought for administrative viability, so the proposers no doubt will have that in mind. The maximum number would result from the financial security which has to be posted.

Mr. Neil: Mr. Chairman, page 3 of the bill deals with the establishment of marketing plans. Reference is made to an association representing a significant number of producers. Then later on it refers to making an order if there are a sufficient number of producers. I am wondering what is the difference between "a significant number" and "a sufficient number" and why the same words are not used. There must be some distinction.

Mr. Lang: Mr. Chairman, would the hon. member please draw my attention to the word "sufficient"?

Mr. Neil: On page 3, clause 35.11(1) says: "Any association representing a significant number of producers engaged in the production of grain..." Clause 35.12 makes reference to a sufficient number. Then on page 4 the bill refers to a significant number again.

Mr. Lang: A significant number would be a judgment on the part of the association as to whether it has that kind of support, when it is an association and not a company which is proposing a plan. A sufficient number again would be a judgment. It may not be different from a significant number, but I think it would be many fewer. It may be those who are actually participating, willing to participate, and therefore sufficient to make a plan worthwhile. It is that non-minimum which is, however, meant to be judged by the governor in council as being enough.

Mr. Benjamin: Mr. Chairman, further to the minister's reply to the hon. member for Moose Jaw, I take it that in the first instance there must be what appears to be a significant number and an appropriate association, in the view of the