

would interfere with the delivery of grain from farms to terminal elevators in Canada. I feel that by removing clause 41 we would perhaps be placing an unjust burden on farmers who ultimately pay the storage charges. I must oppose the amendment on the basis that this clause does provide an element of justice to those who ultimately pay these charges. For this reason I will vote against the amendment.

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, it is quite apparent there are two sides to this question. This is what the hon. member for Crowfoot (Mr. Horner) had in mind when he introduced this amendment. A few years ago we were faced with a strike by grain handlers. Negotiations are still progressing at this time. If these negotiations break down, we will face the possibility of a strike which I am sure all farmers do not want. I am also sure that the government would not want such a strike at this particular time. One cannot predict what will happen because negotiations have not progressed to the point of breaking down.

Perhaps the minister had some changes in mind when the bill was first drafted. Perhaps he has had some afterthoughts, as a result of the suggestions regarding grain policy made by the minister responsible for the Wheat Board. He left the impression throughout the country that he intends to make substantial changes.

This particular amendment relates to the payment of storage charges which, up until now, have been looked after by the government in so far as the amount in excess of 178 million bushels is concerned. This has had the result of giving higher returns to the producer. Last year the amount the federal government paid was in the neighbourhood of \$70 million. It is now proposed that the Temporary Wheat Reserves Act be eliminated. In that event, the farmers will be the ones who will pick up cost of this storage if sufficient money is not earned by the elevator companies, which in some cases are owned by farmers and farm organizations.

The only alternative to this proposal is an increase in handling charges. Such an increase will again have to be negotiated. I cannot envisage a commission defying the elevator companies which could quite obviously justify an increase because of insufficient revenues from storage charges. In any event, it would be the farmers who would pay.

The minister's suggestion is that under clause 41 the elevator companies would not get paid. It seems obvious to me, regardless of the protestations of the minister, the pressure will be on the elevator companies to settle disputes. In the last year or so, the Prices and Incomes Commission has suggested certain guidelines. The government, in its fight against inflation, has suggested a guideline of 6 per cent. I do not have to remind the House and the country that it was organized labour which did not subscribe to these guidelines. Through their spokesmen, organized labour suggested we could not control the demands of their membership.

As a result of this clause, organized labour will be placed in a better position when negotiations are in pro-

*Canada Grain Bill*

gress. The longer grain handlers are inactive, the greater the pressure will be on the elevator companies to settle because of the loss of revenue. I can readily see the kind of situation that could develop. At a time when we were possibly negotiating a grain sale to another country, following years of congestion and a lag in the movement of grain, grain handlers could put us in the position of having to renegotiate contracts. This could result in another strike if these grain handlers felt the time was ripe to again make these demands. It could well be said that this clause could definitely work against management. I think management might be able to look after itself.

• (4:20 p.m.)

However if, for example, the Saskatchewan Wheat Pool, the United Grain Growers or any other elevator company should end up paying a higher rate than they consider to be reasonable, the net result would be that any earnings the farmers might expect to have from their participation in their farm owned elevator system would naturally be reduced. Last year we had a situation in respect of the wheat pools. They were in a very sound financial position. However, with the removal of the Temporary Wheat Reserves Act the elevator systems eventually will show reduced income and I fear what will happen is that the elevator systems will deteriorate and, in fact, to a large extent be eliminated. I have pointed this out in this House before. I am not convinced by the argument of the minister or any of those who subscribe to the policies the present government is pursuing, because it would seem to me that the only person who will stand to lose eventually is the farmer.

If some of the elevators should be removed, this would mean higher transportation costs for the individual producer because he would have to deliver his grain to more distant points. The total cost of his production will increase and, in that round about way, the effect will eventually be felt by the producer. Despite anything the minister may say at this time, I am convinced such a clause tips the balance against business negotiations, if you wish. I am sure the elevator companies are quite aware of the effect of this particular clause since they raised the matter in their submissions. Although the minister might wish to suggest one thing or another, I have already pointed out that in a round-about way I feel the bus stops right at the producer's door because eventually he will lose his elevators and his transportation costs will increase. I will support, and I urge others to support, this amendment, Mr. Speaker.

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on the motion of the hon. member for Crowfoot (Mr. Horner). Is it the pleasure of the House to adopt the said motion.

**Some hon. Members:** No.