All I am asking is that these powers which are specified under these section of Bill C–51 are again left out as they originally were in the act. I cannot understand why the Liberal Party would oppose this change. I would like to trust that the exclusion of this was an oversight on the part of the people who drafted this new legislation. The only other reason for adding it is to give cabinet hands on, more direct control over the Canadian Grains Commission in these specific areas of the act. That is the only reason to leave them in.

I would ask for support from all parties in the House.

• (1300)

[*Translation*]

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, I will speak to the House about Bill C–51 and the grouping of motions 3, 7 and 8. I will start with Motion No. 3. This motion presented by the member for Vegreville is the result of complaints voiced by western producers, in particular special crop dealers. I understand that the purpose of this motion is to make it possible for elevator operators or grain dealers to be exempted from the obligation to hold a licence for selling or buying grain.

Before voting on the motion, we must consider the sections involved, as they appear in Bill C–51. According to what was explained to us, we understand that the amendment proposed by the bill is aimed at reinforcing the obligation to hold a licence. Bill C–51 clearly and explicitly prohibits the sale and purchase of grain without a licence. If a producer deals with an unlicensed merchant and if the latter goes bankrupt, the producer will receive no compensation from the CGC. Therefore, he does so at his own risk. The situation which led the CGC to include this provision in the bill could roughly be described as follows:

Certain new elevator operators are in the business of cleaning grain from special crops; their neighbours, too, find it practical to deal with them because they are closer and, possibly, because it is cheaper since they are not licensed, thus saving on license–related costs.

These costs can amount to as much as $20,000 a year. Eventually, the elevator operators offer to act as intermediaries for their customers and sell the grain they cleaned. It seems that there is some uncertainty in the act that would make this possible. This is why the government wants to go ahead and clarify this provision. The motion before us now would make it possible for small operators to be exempted from the obligation to hold a licence, thus allowing them to save the costs associated with such a licence.

At the present time, all elevator operators and traditional grain dealers hold a licence certifying that they meet CGC standards. The commission prohibits anyone without a licence from buying or selling grain. The CGC demands that licensees post bonds equal to the value of their highest monthly transactions. The reason for this is very simple. If they want to deal in grains, they have to prove that they have the financial capacity to do so.

There is a system of securities guaranteeing payment of delivered grains in the event of bankruptcy of the elevator operator or grain dealer. In the past, the CGC, and consequently taxpayers, had to pay for shipments made to two elevator operators who went bankrupt. The cost was $3.8 million. The motion by the hon. member for Vegreville would be especially worthwhile for special crops since the government intends to introduce a bill on that subject in the spring.

I suppose that we could then include a provision to that effect. What concerns me about the motion of the Reform Party is that it could lead to deregulation of the industry. With this motion, those who would apply for a licence exemption would get it unless the CGC proves that the elevator is not suitable for grain processing.

Given the cost of a licence, well–established companies, like Cargill, could ask to be exempted and the commission would be unable to refuse. Consequently, despite the underlying good intention of the motion, I must reject it because of the risk of deregulation.

As for Motions Nos. 7 and 8, grouped together, they puzzle me. They are mainly technical in nature. Lines 9 to 15 in clause 33, and clause 34 have been added to the bill to allow the CGC to change grade names more quickly. Removing these would block the process. I will therefore oppose the motion.

• (1305)

The confusion started in 1988 when the CGC wanted to be able to react more quickly when new grades were needed. An amendment allowing for the creation of grades and grade names by regulation was adopted in 1988. Although the amendment dealt only with grades and grade names, the approval of the Governor in Council was needed. From 1990 to 1993, the CGC used an invalid procedure to modify grades and grade names of grains. Prior to 1988, grades and grade names were specified in a schedule to the act and could be modified only by legislative amendment.

According to lawyers, a regulation made without Governor in Council approval cannot be implemented. The CGC did not see fit to have Sections 33 and 34 exempted from Governor in Council approval in order to speed up the process. Therefore, I will oppose the motion because we must abide by the law and also for the sake of efficiency.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I want to speak briefly to the Reform motions that would amend the Canada Grain Act. I particularly want to speak as they concern the special crop industry.