

Canadian Wheat Board Act

those members to competitors if an alternative pool were set up.

Mr. Nystrom: I wonder if the minister could answer precisely, Mr. Chairman; that was only a guess. Has he done any serious thinking about the cost of operating the pools because of the government guarantee? I know the minister cannot answer precisely because we do not know how they will be operating at this stage, but is there any ball park figure?

Mr. Lang: No, Mr. Chairman, but the experience with the guarantee to the Canadian Wheat Board is an indication of the modest cost that is likely to be involved. Under the pattern of the act, initial prices are really meant to be set at a level which is likely to be safe in any case. The call upon the guarantee is only likely to occur in very drastically changing circumstances. In the case of wheat, barley and oats this has seldom occurred. One occasion when it did occur was when the government knew fairly well that it was inviting the risk of that occurring and therefore in a sense using the initial price slightly differently from its original intention. I would not see that happening very often in this case.

Mr. Nystrom: Mr. Chairman, may I ask a final question, then cede the floor to other questioners. A number of rapeseed producers have told me about their concerns with regard to bootlegging. Is the legislation drafted so as to penalize bootleggers or to discourage bootlegging? How strictly will the regulations be enforced? Further, will the minister make sure that those regulations are enforced?

Mr. Lang: Mr. Chairman, we certainly want to see them enforced. The person participating in the pool would be under a contractual obligation, legally binding. We are adding a penal provision to strengthen that obligation. There will be law to enforce it, since if someone is under a contractual obligation to a pool and withdraws, it is most unfair to the others. In practical and moral terms it is like a theft. It is not exactly like a theft under the Criminal Code, but it deserves the added enforcement and penalty provisions in the bill.

Mr. Ritchie: Mr. Chairman, may I ask the minister how the initial payment will be set? Will it be done after consultations, assuming there is more than one pool? What will be the minister's influence on the process? Will a formula be worked out? Further, will the initial price be the same for all pools?

Mr. Lang: Mr. Chairman, I expect the pools will tend to adopt the highest available initial price, because they will want farmers to supply them with rapeseed. The initial price in the end will be determined by the federal government's guarantee. This process is followed in relation to the initial price paid by the Canadian Wheat Board as well. No doubt pool administrators will request or suggest an initial price. We, as the government responsible for the guarantee, will need to determine if that price is safe to pay, in accordance with traditional factors governing initial price.

Mr. Ritchie: Mr. Chairman, I suggest that the pools will be substantially different in their workings from the Canadian

Wheat Board. I am thinking of the way the initial price will be set. Possibly different prices could be set for different pools. Would the government guarantee all of those initial prices? If one pool were asking a higher initial price than another, would the government guarantee that higher initial price?

Mr. Lang: No, Mr. Chairman. The government would be prepared to guarantee such initial price as is available for all other pools legitimately established. If the hon. member is asking, is it possible in theory for a pool to set a lower price than that which the government guarantees, the answer in theory is yes; but in practice I do not think it will arise.

Mr. Ritchie: Mr. Chairman, say the government sets a price of \$5, but some pools feel they can charge an initial price of \$5.50. Will they be on their own so far as the extra 50 cents is concerned? If the pool lost 50 cents, say, as a result of this, would that organization be responsible for the loss?

Mr. Lang: Mr. Chairman, yes, they would. They would be on their own for the extra amount.

Mr. Ritchie: Mr. Chairman, may I ask one last question on the definition of "producer"? Will producers be those who traditionally hold Wheat Board permits? It is my impression that the definition of a producer in this bill is somewhat different from the definition of a producer who deals with the Wheat Board. Perhaps the minister could elaborate.

Mr. Lang: The definition is almost the same, Mr. Chairman. I forget exactly in which way the definitions differ. I will look through the relevant parts of the bill to see if I can discover the small technical difference which may exist; however, by and large, the definitions are similar.

• (2210)

Mr. Neil: Mr. Chairman, with regard to a producer who belongs to the pool, the bill provides that he can cease to participate in accordance with the plan. Does the minister visualize that each plan will have a different contract with the producers, or is it his intention that the provisions for opting out will be the same for all plans?

Mr. Lang: Mr. Chairman, I see some scope for flexibility here. I would not want to project what may turn out to be an acceptable proposal. The various proponents of a plan may come up with a variety of differences. Looking at the definition of actual producers, the key difference is that provision has been made for participation in such a plan of the landlord or non-actual producer who may be the owner of the rapeseed. That is the main difference here.

Mr. Goodale: Mr. Chairman, I am interested in the federal government's financial commitment to the kinds of schemes that may be authorized by the bill before us this evening. Can the minister say if the guarantee of a certain level of initial payment is in fact the only monetary or financial obligation which the federal treasury will be assuming through this legislation, or is there in the bill some broader obligation upon