

of the word "organization" contained in the bill and hence they would be excluded from the benefits of the legislation.

● (1650)

I offer here the statement by Mr. Kleiman, the chairman of the Ontario Wheat Producers Marketing Board. He has acknowledged the lack of suitable organizations in some areas and for some products, and has suggested that the banks could replace the organizations for the purpose of administering the advance payments in such cases. In his appearance before the Standing Committee on Agriculture on December 14, 1976, Mr. Kleiman said:

Since so few organizations exist that could fit the description, we have questioned whether or not the banks, as defined in the bill, could act as a lending body. We realize there is a great need for the lending body to be close to the actual marketing functions to administer the loan but still do not see how some producers are going to be able to avail themselves of the benefits of the legislation.

Mr. Kleiman pointed out that farmers are accustomed to dealing with banks, so that they would already be in a position to have an avenue open to them for a further loan. By allowing the banks to undertake the advance payments, all Canadian farmers who have storable crops would be given an equal opportunity to take advantage of those advance payments. The legislation would thus be more democratic and a larger number of Canadian farmers would derive benefit from it.

During one of the committee hearings the hon. member for Scarborough East (Mr. O'Connell) suggested that in cases where a proper organization did not exist the producers could go to a bank and the bank would transfer the contract for the administration of its marketing provisions to any area where an organization existed. From reading the committee reports of the discussion on Bill C-2, it is evident that a number of witnesses and members were very concerned about what would happen to producers for whom no suitable organization was available. In its present form the bill also denies payments to a producer who belongs to an organization which is unwilling to undertake the responsibilities of administering the advance payments. This lack of willingness on the part of producer organizations is a very real possibility, a possibility that the officials of the Department of Agriculture have not really looked into, in my opinion.

During the December 8, 1976, meeting of the Standing Committee on Agriculture, my colleague, the hon. member for Moose Jaw (Mr. Neil), questioned the minister as to what organizations he had consulted with and what their reactions had been to such consultation. The response of the Minister of Agriculture (Mr. Whelan) was unequivocal. He stated:

I have not personally met with an organization on this bill at this point in time.

Pressing his point, the hon. member for Moose Jaw asked whether officials of the Department of Agriculture had met with any organizations to discuss the terms of this bill and whether they were agreeable to operating under such terms. Replying for the minister, Mr. Leggat, director of the grains and crops division of the Department of Agriculture, stated:

Advance Payments for Crops

A very few, Mr. Chairman. I have talked it over with the Ontario wheat producers and I think there was one informative session with potato producers from P.E.I., but we have had no real consultation with them, though we intend to do so and hope to do so before the regulations are written, so that we can get some of their ideas incorporated into the administrative end of operating this scheme.

The fact of the matter is that the Department of Agriculture has been very lax in its consultations with producer organizations which, under the terms of this bill, are the only groups that are allowed to make advance payments. The proposals for the "after the fact" discussions are somewhat senseless. Since producer organizations are to be given the entire responsibility for administering the act, they should have been consulted from the beginning. There are a number of organizations which have yet to be heard from. Their input is important and their views should not have been neglected.

Producer organizations may well find that the cost of administering the act is prohibitive. As pointed out by Mr. Kleiman during the December 14 meeting of the Standing Committee on Agriculture:

The cost to an organization to administer such a program is not a small undertaking, and we are concerned that the organization should have to accept the risk of default proposed in this bill.

In order to be in a position to administer the advance payments, an organization will need bookkeeping facilities, a filing system, secretarial help and numbers of forms. They will have to get in touch with farmers. If the loan is not called in, they will have to send out notices. If the producer does not pay or if he has not yet sold, the organization will have to get in touch with him.

The Department of Agriculture has stated that the Canadian Wheat Board has experienced little difficulty in terms of the cost of administering the Prairie Grain Advance Payments Act, and that therefore there will be no problem with producer organizations meeting the administrative costs of Bill C-2. They state that this point is not really relevant here. So far as Bill C-2 is concerned, we are talking about large and small organizations. These organizations will be asked to administer the act. Structural changes in the organizations and among staff members will be necessary before they are in a position to administer these payments. For a small organization, the cost of bringing about these changes may be a burden; as a result, they may decide simply to opt out of this provision in the legislation.

During the committee hearings it was pointed out that a \$5 levy has been imposed by the elevator companies to help defray the cost of administering the Prairie Grain Advance Payments Act. While this is a relatively nominal sum, I feel that the fee charged by organizations for administering Bill C-2 will have to be much higher. Regardless of the size of the organization, there will be a basic level of administrative cost. Because costs are not necessarily proportionate to the size of the organization, smaller organizations with fewer members will have to charge a higher fee than the larger organizations, and a much higher fee than the Canadian Wheat Board. The Canadian Wheat Board is set up in such a way that they have elevators and agents throughout the prairie region. This the