issue commercial paper which, I suspect, must be in the board's best interests.

My colleagues from Prince Albert and Regina West have outlined the concerns of my Party on the producer cars issue. As I cannot add much to that, I will step down and look forward to having this legislation moved as expeditiously as possible to the appropriate standing committee for further examination.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have a chance to make a few observations on Bill C-92. At first blush, this Bill appears to be quite technical in that it provides for the addition of the word "Canola" rather than only rapeseed in the Canadian Wheat Board Act. It provides for greater flexibility in the honorarium paid to members of the Wheat Board Advisory Committee and in the payment of their travelling expenses. They make a tremendous contribution to Canadian agriculture, especially to the grain industry in western Canada. We want to provide that kind of flexibility in the Canadian Wheat Board Act.

The legislation also enables the Canadian Wheat Board to borrow from a wider range of agencies rather than only from chartered banks, credit unions, and trust companies. The ability to borrow has even been extended to foreign Governments and provincial Governments. I hope the Minister will be able to explain why we want to borrow from foreign Governments. We recall that the Wheat Board lost $200 million a few years ago when dealing with China in the British currency rather than in our own currency. We certainly want to know what is the advantage of being able to borrow from foreign Governments.

• (1700)

We also want to know why the Government is planning to eliminate the investment committee of the Canadian Wheat Board. To my knowledge, that committee has been functioning well. The representative of the Minister of Finance (Mr. Wilson) is always there in any event. Surely the Minister of Finance is not capable of being privy to all the activities of that investment committee, and it could become an administrative problem for the Wheat Board to have to turn to the Minister of Finance for each new borrowing arrangement, rather than to work with the investment committee of the Wheat Board itself.

Some agricultural groups in the West have expressed some concern about the Government's plan to move to the issuing of bonds and debentures. They wonder whether this is a further move toward privatization of the Wheat Board, as has been done in some other countries. There is concern whether the next legislative package with regard to the Wheat Board would be to move to the issuance of shares and so on.

This Bill appears to be simply a technical amendment to the Wheat Board Act to give greater efficiency to its operations and provide more flexibility in choosing financial instruments for greater efficiency and reduction of cost. It would be interesting to know from the Minister exactly how much would have been saved last year if the Government had been able to borrow from a wider range of money markets other than that which is authorized under the present legislation.

Another cause for concern is that this legislation seems to come in tandem with the changes that will occur in the operation of the Wheat Board as a result of the free trade agreement with the United States. Clearly, a free trade agreement will put greater pressure on the Canadian Wheat Board. Farmers living in border areas in the West who have to secure a Wheat Board permit for the sale of their grains to the United States will be limited to the quota provided under our quota system. At the same time, unlimited quantities of cheap grain flowing into Canada under a free trade agreement will put great pressure on the whole Wheat Board system. There will be even greater stress and demands on the producer groups than there is today when they are restricted to selling to the limit of their quota while American producers can deliver an unlimited amount, as economics allow.

What guarantees will be offered by the Wheat Board when the Government issues these bonds? Will amendments to the Income Tax Act be required with regard to the bonds which the Wheat Board proposes to sell under the provisions of this Act? Who will be the investors, and what market studies have been done by the Wheat Board? These are some questions being raised by farm groups with regard to this legislation.

There is a third element beyond the advisory committee and provisions for greater borrowing and investing powers by the Wheat Board. It is the question of producers delivering grain to the Canadian Wheat Board by way of producer cars. This is now available, but the individual producer must pay for the storage charge and the financing charges of the country elevator. This recommendation has been supported by a number of groups, including the western Canadian wheat producers. The standing committee reviewed this idea and suggested it to the Government in its input cost study last year. While I believe any efficiency we can build into the system is desirable, on the other hand we must ensure that the savings are not disproportionate to the advantages of having these delivery points throughout the West.

If everyone were to do this, the whole pooling arrangement and delivery point system would be destroyed. Those who view the Government's actions in the free trade agreement as a move toward the ultimate privatization or emasculation of the Wheat Board are extremely concerned about this arrangement. One only need look at many of the provisions in the free trade agreement to realize that there will be great disadvantages in many aspects of the whole grain handling industry.

The sale of Canola and Canola meal to the Pacific Northwest is an example. The Government has moved the Crow benefit which will result in a higher cost in some areas of Alberta, as high as $23 a tonne for Canola meal, and over $30 a tonne in areas of Saskatchewan and Manitoba. That would