

THE SENATE

Wednesday, April 27, 1977

The Senate met at 2 p.m., the Speaker in the Chair.
Prayers.

DOCUMENTS TABLED

Senator Perrault tabled:

Report of the Canadian National Railways, together with the Auditor's Report on the Accounts and Financial Statements thereof, for the year ended December 31, 1976, pursuant to section 40 of the Canadian National Railways Act, Chapter C-10, R.S.C., 1970.

ROYAL EMBLEMS

REMOVAL OF CROWN FROM GOVERNOR GENERAL'S PRIVATE RAILWAY CARS—QUESTION

Senator Forsey: Honourable senators, I should like to ask the Leader of the Government to ascertain, if he can do so within a reasonable time, whether there is any truth in the story, of which I was credibly informed this morning, that the Crown on the side of the Governor General's private railway cars has been painted out or painted over.

Senator Perrault: Honourable senators, I have heard no such report, but I shall certainly direct inquiries to the appropriate source.

ADVANCE PAYMENTS FOR CROPS BILL

SECOND READING—DEBATE ADJOURNED

Hon Gildas L. Molgat moved the second reading of Bill C-2, to facilitate the making of advance payments for crops.

He said: Honourable senators, before proceeding with a description of the bill before us I should like to take this opportunity to welcome to our chamber the four new senators who were introduced last night. I have had the personal pleasure of knowing three of them well in past years, and I look forward to working with them in the years ahead. I have not yet had the pleasure of meeting Senator Adams, although he is a neighbour of mine, coming, as he does, from Rankin Inlet. I have the impression that the province closest to that particular location is Manitoba, and I welcome particularly Senator Adams to this chamber. I hope that we shall be able to work together on the many problems in northern Manitoba that are similar to the problems faced by the Northwest Territories.

Bill C-2 is intended to assist producers of storable crops in all parts of Canada to market their crops in an orderly manner by establishing an advance payments program. In our

mechanical and technical society, producers are forced every year to meet heavy production costs which involve a substantial and ever-increasing cash outlay for them. They are unable, in a number of cases, to obtain cash immediately for their products.

A further problem is created by the fact that in some years, in order to get cash, they are forced to put their goods on the market right away. The result is that there is a heavy influx at one particular time. This has a tendency to distort the market and depress market prices at that particular period, and it does not allow producers to get the maximum return to which they are entitled. It is the intention of this act to provide for a more orderly pattern, and this in turn will have some effect on potential transportation bottlenecks at peak periods.

● (1410)

Under the legislation, the government can guarantee to a bank the repayment with interest of advances made under this program provided the producers and their organizations safeguard the government guarantee as set out in the act.

The concept of advance payments is not a new one. It has existed for some time under the Prairie Grain Advance Payments Act, which operates under the aegis of the Canadian Wheat Board for producers of wheat, oats and barley, and which has been an extremely successful program.

Our colleague, Senator McNamara, was at one time the Chief Commissioner of the Wheat Board, and he can attest to the usefulness of that program, and its very low cost to the national treasury. That act has improved the cash flow to grain farmers, particularly after the critical harvest period when there were low Wheat Board quotas during years of heavy production and difficult sales.

Western grain farmers face delivery restrictions after the harvest, but, under the Prairie Grain Advance Payments program, they can receive interest-free advances on undelivered grain. Wheat, oats and barley are sold to the Canadian Wheat Board in its designated area, and so far are the only three crops in respect of which this particular privilege can be obtained. It is now the intention of the government to extend this provision to other crops specified under the act, and to permit many other agricultural producers in the country to benefit from this kind of program.

Bill C-2 covers such items as white beans, tree fruits, cole and root crops, tobacco, soybeans, Ontario wheat, honey, maple syrup and many other basic agricultural products, and would improve the cash flow of producers, particularly in the post-harvest period.

It will provide the legislative authority for the federal government to guarantee the repayment of advance payments on