

## APPENDIX "A"

(See p. 3508)

## THE ESTIMATES, 1988-89

## REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (A)

TUESDAY, May 31, 1988

The Standing Senate Committee on National Finance has the honour to present its

## TWENTY-FIRST REPORT

Your Committee, to which Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1989, were referred, in obedience to the Order of Reference of Thursday, May 19, 1988 submits its report as follows:

The Committee heard evidence from the following witnesses:

*From Agriculture Canada:*

- Mr. Frank Claydon, Assistant Deputy Minister, Policy Branch;
- Mr. Dan Fenety, Director General, Priorities and Strategies Directorate Grains and Oil seeds Branch;
- Mr. Terry Pender, Administrator, Special Canadian Grains Program.

Supplementary Estimates (A), 1988-89 totalling \$113.9 million is a special estimate to augment the budget of one program only, the Special Canadian Grains Program (SCGP). This program was first announced by the Prime Minister two years ago for the 1986 crop year and later extended by the Minister of Agriculture for the 1987 crop year. The program is intended to cushion Canadian farmers as a result of falling world prices brought on by actions of the United States and the European Community.

When the program was first announced, \$1 billion was allocated to cover losses for the 1986 crop year; \$300 million through Supplementary Estimates (B), 1986-87 and \$700 million through Supplementary Estimates (A), 1987-88.

For the 1987 crop year, \$1.1 billion has been allocated: \$800 million through Supplementary Estimates (D), 1987-88, and an additional \$300 million through the Main Estimates, 1988-89.

The reason for Supplementary Estimates (A), 1988-89 is that \$113.9 million of the \$800 million appropriated last fiscal year, for the 1987 crop year, was not spent and therefore lapsed. In order to spend

the money this fiscal year, it must be reprofiled or shifted to the current fiscal year, and this requires Parliamentary approval.

This meeting of the National Finance Committee represents its fourth review of the Special Canadian Grains Program through the supplementary estimates. The meeting dates and report numbers are shown below:

December 18, 1986: Supplementary Estimates (B), 1986-87 - Fourth report of the Committee.

March 12, 1987: Supplementary Estimates (A), 1987-88 - Sixth report of the Committee.

January 27, 1988: Supplementary Estimates (D), 1987-88 - Sixteenth report of the Committee.

In each report, the Committee commented on aspects of the program and how it changed from its coverage for the 1986 crop year to coverage for the 1987 crop year.

In requesting the current supplementary estimates, there is no change to the program since the request is simply to reprofile the amount from the last fiscal year to the current fiscal year.

When questioned with respect to differences between the actual and anticipated outlays, officials stated they were due to delays in the development of computer software to operate the program and concerns that overpayment might be made to Ontario soybean producers because of the considerable difference in prices between the 1986 and 1987 crop year. The department continues to expect to make all payments by the end of June 1988.

Officials indicated to the Committee that in 1987-88, the Department was allocated \$4 million for administration but used only \$3.2 million. They also indicated, however, that there is a chance the department may have to request the additional \$800,000 through final supplementary estimates to cover these administrative expenses.

Respectfully submitted,

FERNAND-E. LEBLANC

*Chairman*