

lion in 1969 to about \$691 million in 1970; and Alberta's went down from \$727.5 million in 1969 to about \$694 million in 1970. This decline can be attributed to Government policy. It is true that large wheat sales have been made to the Soviet Union, China, Poland and other countries, but it is also true that the deliveries have fallen behind, and in some cases far behind. It shows poor management on the part of the Government. This is not the fault of the farmer, yet he is the one who has to suffer.

The Government has realized the seriousness of the situation and is now coming to the aid of the farmers.

Bill C-239 was explained in this chamber yesterday by Senator Argue, from Saskatchewan. It consists of amendments respecting rate per bushel, emergency payments, and extension of application to rye, flaxseed and rapeseed of legislation introduced in 1957 by the Diefenbaker Government. The success of the original legislation becomes evident from the report of Minister Otto Lang. Of the 285,000 farmers there were 121,092 advances for the crop year 1969-70, for a total of \$270,754,372, the bulk of which was paid off. A total of 51,285 advances was issued in the 1970-71 crop year, for a total of \$90,605,350 as of April 23. Since losses have been minimal, it proves that the legislation has been very beneficial to a large section of the farmers.

The changes proposed in this bill should prove, I hope, to be even more beneficial to the agricultural industry. Under the old act the rates for cash advances were \$1 per bushel at half the initial price for wheat, 40 cents for oats, and 70 cents for barley. Under this bill the Government can set rates at any time by order in council, the amount of the advance to be related to the delivery opportunities and the likely delivery value of the grain for that year. The repayment amount for each grain will be set at a per bushel rate in the same amount as the advance, so that the advance will be repaid as delivery takes place. Under this system the producer will obtain interest-free cash at the time the delivery opportunities are slow or limited. The cash that is so desperately needed by the farmers now becomes available to them to a considerable extent. This legislation will bring assistance to rye, flaxseed and rapeseed producers, and this is a new feature. It will also be helpful to farmers having problems with the drying of damp grain, and unharvested and unthreshed grain, due to climatic conditions such as early snowfall, and who would therefore need the extension of cash advances.

In general, the principle of this bill is good. There are some features of it that are not quite clear to me. For example, the amendment to section 7(4) is:

(4) The Governor in Council shall prescribe as the advance payment rate per bushel for a kind of grain in a crop year a rate that, in his opinion, approximates sixty-six and two-thirds per cent of the initial payment that will be payable in that crop year for the prescribed grade of that kind of grain.

Why has 66⅔ per cent been designated and not 60 per cent or 70 per cent, for example, which are easier to

calculate? How much will this program cost the Government and the taxpayers of Canada?

The withholding of the amount in default in clause 12, amending section 16(1), is provided by the following:

—interest at the appropriate prescribed rate per annum from the time of the making of the advance payment —

Will the interest be the current market rate?

Another question that I would like to ask is how effective are the safeguards against abuses by farmers who might not need the cash but could secure it on an interest-free basis for exploitation purposes?

I understand that rapeseed producers are doing well under a free-enterprise system, and are not anxious to come under the Wheat Board regulations. Is that the case also with rye and flaxseed producers? Has the Government consulted these producers prior to bringing them under this legislation?

I still think that since the Government is the "big daddy" for grain producers and has tried to improve the financial condition of the farmers on the prairies, it will have to step up sales promotion and the delivery on schedule of the export grain committed to countries in various parts of the world. The objective should be that farmers receive full payment for grain delivered at any time without quota restrictions.

I support Senator Argue's proposal that this bill be referred to committee for closer scrutiny.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Argue, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

PILOTAGE BILL

REPORT OF COMMITTEE

Leave having been given to revert to Reports of Committees.

Hon. J. Campbell Haig, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill C-246, respecting pilotage, and had directed that the bill be reported without amendment.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.