

**Senator Barootes:** The government's contribution to that fund is 2 per cent higher than the producer's level. Presently it is about one in three.

As you know, because the seven lean years were far leaner than the seven fat years that we had before, that fund has gone into deficit. It has expended its insurance money and has gone into deficit to the extent of \$1.5 billion. The present levy collections—both the government and the producer levies together—do not even cover the interest costs on that deficit of \$1.5 billion.

As a consequence, the government has agreed to write off, forgive, pay for half of that deficit, and bring it down to \$750 million this year, and perhaps consider in concert with the government and the producers and the institutions of agriculture what might be done next year. The reason for that is because many producers have dropped out of the stabilization plan. If you were to bring them in now, with that enormous debt which they might have to exonerate with their levies, the levy rate would be so high and so onerous that it would prohibit virtually anyone from joining a plan. So those who are coming back into the plan are to be forgiven the 10 per cent extra nomination that is necessary, and the levy will likely not rise as high as otherwise might be necessary.

Now you asked about the date for this. The changes in the levy rate will be made following consultation with the advisory council, who are producers in the West, and whatever rate struck between them which is reasonable and sensible, it will still be 2 per cent more by the government than is advanced by the producers from their revenue.

**Senator Olson:** It will be retroactive?

**Senator Barootes:** It will be retroactive to August 1, 1987. Is that adequate?

**Senator Olson:** A little adequate.

**Senator Barootes:** I am not sure that I can answer this quite to your satisfaction, but there were some questions about the Farm Debt Review Board and the \$30 million and \$40 million. A grant of more than \$30 million has already been given to the Farm Debt Review Board this year, and another \$40 million is to be added to the area of advanced commodity loans.

● (1620)

When the Farm Debt Review Board with a farmer sits down with the farmer's creditors and attempts to mediate these matters, it may come to conclusions which, after mediation, can result in the loan being lessened, payments being lessened, or the interest being lessened, and that costs money. When that settlement is arrived at after the board has mediated between a creditor and the farmer-owner, who is the debtor, some costs are involved, and that is what that \$30 million and \$40 million is for.

The \$40 million specifically applies to the advanced commodity loans which are made through the FCC, and if an acceptable arrangement is made it will reduce the loan rate to 6 per cent from whatever the existing rate is. In addition, it applies to any further loans advanced to that client-farmer in

the future through the FCC. That is what some of those advances are for.

I should add that the FCC is also getting \$103 million deferred debt this year, and \$100 million in cash will be injected into it to enable it to continue its work, because, as you know, it is—and the blunt words are—"broke" or "bankrupt."

I hope, honourable senators, that I have, in part, answered these questions. I do wish to take this opportunity to thank my learned friend for the questions that he advanced, and I hope that my answers are of some assistance to him.

**Hon. Senators:** Hear, hear!

**Senator Olson:** Honourable senators, the answers my honourable friend gave will be most helpful, and I thank him very much for them.

**The Hon. the Acting Speaker:** As no other honourable senator wishes to participate in the debate, this inquiry is considered debated.

### CHRISTMAS GREETINGS

**Hon. C. William Doody (Deputy Leader of the Government):** Honourable senators, Royal Assent is almost ready to get under way. The Deputy Governor General is on the premises, as is the minister, and I suggest that we adjourn during pleasure, but await their arrival in the chamber.

Before I leave, honourable senators, I want to take this opportunity to wish all my colleagues here, on both sides of the house, the best possible Christmas season and a good break. I want to thank them particularly for the cooperation that we have received during the past few days, especially in terms of our legislative agenda.

I also want to thank the staff of the Senate who, as always, have been so cooperative and helpful during the past year. In particular, I should like to single out the pages. I was just thinking today that the faces change from time to time, but it seems to me that their cheerfulness, courtesy and cooperation never seem to diminish. I am very pleased indeed to wish them, as well as the rest of the staff, the season's greetings and best wishes.

Having said these few words, I move that the Senate adjourn to await the arrival of the deputy to Her Excellency.

The Senate adjourned during pleasure.

● (1630)

At 4.45 p.m. the sitting of the Senate was resumed.

The Senate adjourned during pleasure.

### ROYAL ASSENT

The Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor