

money on his own. In that connection, if you look at clause 4 you will see that it is the organization to which the producer has to belong which proposes to make an advance to the producer. In other words, it is the organization which is taking the financial risk. It is the one really doing the borrowing and it then goes on to make the money available to the producer. I agree that it would be better to simplify it and have the loan made directly to the producer. However, I then have a question with respect to clause 3. I was going to ask the question yesterday, but the adjournment of the debate was moved. Clause 3 says that the act applies in respect of crops, and then makes an exception of wheat, oats and barley. Senator Macdonald (Cape Breton) indicated why that is so. That removes the greater part of the western provinces from the bill. It is necessary to go back to the definition of "crops," under which mainly grains, oilseeds and root crops are left. That is perhaps why the eastern and maritime provinces are more likely to benefit from this bill. It is mainly to their advantage.

The bill appears on the face of it to be cumbersome in that the producer has to belong to an organization that can be sued and can sue, which may be of benefit because otherwise a small producer may not be able to obtain a loan.

Senator Connolly (Ottawa West): I should like to ask a question of the sponsor of the bill (Senator Molgat) or Senator Macdonald (Cape Breton), which perhaps could be answered at a later stage. I wondered whether the producers' organization that is interposed between the actual borrower and the financial institution lending the money will supply any services in connection with the loan, such as inspection services, and also whether a charge is to be made for those services. If that information is not available now, perhaps it could be given at the committee stage.

Senator Molgat: Honourable senators, I can reply to the first part of the question. The bill does not impose any obligation on the producers' organization to provide a service. However, because they are interested in the loan and are

supplying at least a partial guarantee, an obligation of sorts is imposed to protect their own interests. This is based on the original act dealing with prairie farm grain advances, in which it was handled through grain companies, who were in a sense the issuing agent, because farmers delivered their grain there. The Canadian Wheat Board was involved as the body controlling the sale of grain, so there was in essence a type of service provided, because they ensured that the grain was in fact there and was properly stored. Beyond that there is no obligation.

The honourable senator also asked if there is a charge for the service. I do not believe there is one. The bill does not say anything about it, to my knowledge. I am not sure whether the failure of the bill to say anything about it would allow them to make a charge. I will check that. My impression is that there would be no charge.

On motion of Senator Argue, debate adjourned.

● (1430)

LABOUR RELATIONS

EFFECTS ON THE ECONOMY—DEBATE CONCLUDED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Marchand, P.C., calling the attention of the Senate to certain fundamental problems which preoccupy Canadians, namely, problems of labour relations in the country and certain related problems of economic order.—(*Honourable Senator McElman*).

Senator McElman: Honourable senators, I should draw your attention to the fact that this inquiry is standing in my name because of my responsibilities, during Senator Petten's absence, as acting whip unpaid. If any honourable senator wishes to pursue this debate, he should proceed.

Senator Phillips: And if he does not want to pursue it?

The Hon. the Acting Speaker (Senator Deschatelets): As no other honourable senator wishes to speak, this inquiry is considered as having been debated.

The Senate adjourned until Tuesday, May 3, at 8 p.m.