

Cash Advances to Western Farmers

• (11:10 a.m.)

GRAIN**ANNOUNCEMENT RESPECTING ELIGIBILITY OF FARMERS FOR FULL INTEREST FREE CASH ADVANCES**

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): In view of questions which have been asked, particularly yesterday, I wish to inform the house that under the Prairie Grain Advance Payments Act, farmers will be eligible for full interest free cash advances in the new crop year, even though outstanding advances may not have been fully repaid.

It is estimated that \$65 million will still be outstanding on July 31 and as deliveries will not be sufficient to enable many grain farmers to retire these advances, the government has decided they will be eligible for the full advance when the new crop year opens August 1.

Mr. Speaker, this decision means that producers will be entitled to advances of approximately \$65 million more than would have been the case if advances in the 1969-70 crop year were reduced by the amount outstanding from the current crop year.

This will have the effect of providing western grain producers with advance payments in respect of both their 1968 and 1969 crops based on a six bushel quota. Thus, those farmers whose delivery opportunities have been limited this year will be able to obtain an interest free advance which will provide them with operating funds, and their entitlement in the new crop year will not be impaired.

As hon. members will recall, last November parliament doubled the maximum advance available under the Prairie Grain Advance Payments Act from \$3,000 to \$6,000.

During the current crop year some 92,000 producers have received advances totalling approximately \$153 million. Advances are repaid as producers deliver grain to country elevators, and at present outstanding advances amount to about \$90 million. Under the old legislation the previous highest amount advanced was in the 1960-61 crop year when some 76,000 producers obtained advances totalling \$64 million.

Mr. J. H. Horner (Crowfoot): In commenting on the minister's statement and in particular on the decision to allow additional interest free cash advances to prairie grain farmers, I think it is only fair to say that this

[Mr. Drury.]

represents merely an advance on payments which would be forthcoming to farmers had they sold their crop. In taking the action now contemplated, the government is admitting that it has failed to sell the farmers' crop.

There is something else I should point out. This cash advance arrangement applies only to wheat, oats and barley. We are trying to encourage farmers to diversify their production. These interest free cash advances will be of benefit to farmers on a short term basis only, and only to farmers with a large acreage. It will not help the specialized farmers, particularly in the irrigation areas, because of the limited acreage farmed. They will not help those farmers who are trying to help themselves by diversifying production. At best they amount only to short term assistance, since, as I say, they represent advances on grain which will have to be sold to the Wheat Board, and when it is sold the cheques paid to farmers will be docked by the amount of the advance.

So this does not really help; it will not bring about any relief of the desperate position in which farmers find themselves; it will not encourage farmers to diversify, and it will not help farmers who are using their knowledge and the technological advances available to them to make better use of fertilizers and irrigation.

At best this is a short range policy that is really not much help at all. If this is the final and only help that the farmers can expect from the government this year, then I am certain they will be discouraged. But I should like to think that it is not. I should like to think that the government has more than this in its barrel of tricks to bail the farmers out of the desperate situation in which they find themselves.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I thank the minister for sending us in advance copies of the proposals that he has put before the house. I note he mentioned that they were, in part, answers to questions that have been posed, among which was the question whether we were or were not going to achieve a five bushel quota at all points. I sincerely hope that the statement of the minister does not indicate that he and the government have been forced to recognize that it is possible that this objective will not be reached. I hope that is not the situation; but if it is, then we are in desperate straits indeed.

In addition we are awaiting an announcement of government policy. These proposals