

which were encountered as a result of the last amendments made.

While payments under this bill will be severe as far as farmers are concerned, hopefully the farmer will not find himself in a position of obtaining cash advances and not being able to deliver grain until a succeeding crop year, hence not being able to make repayment. Farmers often find themselves in the very difficult position of having received advance payments on a year's crop, then not being able to make deliveries and ending up with an extremely limited income. Whether or not the provisions of this bill will avoid that difficulty, only time will tell. I suppose this will depend to a large extent on the volume of grain sold.

When looking at the present level of wheat quotas I am concerned whether we will attain the projected eight-bushel quota at the end of this crop year. If we do, it will only be on a lower acreage basis than that which existed a year ago. I have not looked up the figure, but I suspect it will not be more than two-thirds of what it was before the Lift program came into effect, with the consequential slowdown on wheat acreage.

Mr. Horner: This will involve 50 per cent.

Mr. Gleave: As I say, this depends on the ability of farmers to deliver. The deliveries in April have been much higher than they were last year. This will take care of some of the outstanding advances. The sooner those advances are paid up or dealt with in some manner, the better off farmers will be. I agree with the hon. member for Battle River (Mr. Downey). If you get out into the country and talk to farmers, credit unions and bankers you will find that things are in tough shape. This situation will continue until the question of cash advances have been cleaned up and there is sufficient cash to take care of immediate needs.

I am somewhat concerned about clause 6 of this bill. It proposes that if a producer pays in cash instead of paying through the delivery of grain, interest will be charged. As I remember, the minister said there might be producers who would borrow money through cash advances with no intention of paying it back in grain. They might market their grain in some other way or perhaps use it as feed. This was the argument advanced by the minister in respect of this clause. I do not think this is a good idea. If a farmer obtains a cash advance and finds another way of selling his grain instead of putting it through the elevator system, why not encourage him to do so?

A farmer might decide to buy feeder cattle. That farmer might be able to obtain up to \$6,000 in cash advances. This would not go very far toward the purchase of the feeder cattle, but if a farmer can accomplish this and pay back the \$3,000, \$4,000 or \$6,000, why should we worry about it? I do not really see the point. There may be some justification for worry or concern about an individual who is able to borrow this amount of money and invests it in a trust company. There are some people who do this, but anyone who is in a position to follow this procedure is indeed in the minority.

Prairie Grain Advance Payments Act

I believe this measure will be discriminatory as between a farmer who chooses to market his grain and the farmer who decides to use it to feed cattle. Another farmer may very well decide to obtain a cash advance and sell his grain to a feed company. Such a farmer would no doubt be selling grain to the company at a discounted price. Very few farmers manage to sell grain to a feed company or mill at a price equal to the price they might eventually realize. The farmers who do so are prepared to accept a discounted price in order to move the grain. Grain sold in this way does not go through the system. For these reasons I do not think the provision under clause 6 in respect of the amount of money it would bring into the coffers of the treasury would be worth the trouble of including it in the legislation. This, of course, is a matter of opinion and it is my opinion for what it is worth. We have many opinions in this House, but at least this is how I see it. I suppose when we get to the committee we will be out of order in moving such an amendment because it will have to do with the provision of government funds. But if I were able to move an amendment I would move that this provision be deleted.

• (4:30 p.m.)

I hope in the future the government will treat this cash advance legislation and such a proposal exactly as it is. It should not be treated as a substitute for sales of grain but merely as a convenience or device to allow some flexibility in the flow of grain to market, thereby relieving the pressure on the farmer who for a temporary period is unable to get his grain to market and realize money on it. That was the original objective of this program when it was proposed, incidentally, by the Farmers Union, accepted by the Conservative government and put into effect. This was the original objective of the proposal and this is what should be expected of it. It should not be expected that this proposal is a substitute for doing a good and effective job of marketing grain and getting it into the hands of those who can sell it and return the cash to the farmer.

It might help to slow down to some extent the depopulation of our rural areas which is taking place. I spoke to a dealer in a small town the other day and he informed me that in his area 21 farmers had closed out this year. This is not a large area. It is not as large as Biggar or Humboldt in the minister's constituency. It is a relatively small town with a more or less normal trading area. I know there are those in government—in fact, policy papers have been produced on this subject by the government—who believe we should drastically reduce the number of farmers. In fact, the methods have been set out. If I might quote from one of their papers, they say the problem becomes one of increasing the rate of adjustment and of finding ways and means of facilitating adjustment both within agriculture and between agriculture and the rest of the economy. On another page they say these policies depend for their operational efficiency on the effectiveness of the first set of programs, those designed to increase the mobility of the resources and grease the wheels of the adjustment process. What they