

under this legislation? Did he ask that the interest rates in connection with cash advances should go up? Did he ask that the government be allowed to back date interest to the time the loan was taken out?

**Mr. Lang:** May I ask the hon. member a question? Does he appreciate that the bulk of farmers who take cash advances will continue to pay no interest at all? No interest is charged on almost the total range of cash advances.

**Mr. Horner:** I accept those words. But the minister has referred to the great bulk of farmers concerned. In effect, he admitted that what I have been saying is right. For the great bulk of farmers the loans will continue to be interest-free and interest rates will not affect them. But there are some farmers who will be obliged to pay higher interest rates. Who are they? Are they the big, prosperous farmers with lots of grain? No, it is the small farmer who has been sucked in by this legislation and driven into debt by the government. It is he who will be called upon to pay high interest rates, which is the point I was making before I was interrupted.

We are told the government intends to improve the situation in the grain industry. Improve it for whom? Not for the small farmer who is in difficulty, but for the government. This is one more piece of legislation which will bail them out and save them some money at the expense of getting rid of a few farmers. After all, they say, what do a few farmers matter? Send them into the city, put them on unemployment insurance, put them on welfare, re-educate them. Is this the quality of life we are seeking in our society? I do not think so. No one enjoys a better quality of life than the small, satisfied farmer. This bill is one more step toward driving the small farmer into oblivion. For the farmers this government is trying to eradicate, interest rates will go up. This is one piece of legislation along with three others which will assist the government in removing small farmers from the land. This is the issue. I have no hesitation about speaking on this piece of legislation because it is our duty to point out vividly that this government is basically a selfish government when it comes to agriculture. They are out to save money and to heck with the industry. They are out to restrict markets rather than enlarge them.

We know that Canada has enjoyed three or four great years in the last ten years when it comes to wheat sales. It was possible to take advantage of these orders because the grain was on hand. We made particularly big sales to Russia when that country suffered a crop failure. We made large sales because the government knew we had grain in commercial storage and made efforts to sell and deliver it. We did deliver 500 million bushels as a result of a Russian wheat sale some years ago. Under this program, we are going to encourage and go along with a rationalization program to reduce the amount of grain in commercial storage and the amount stored by farmers. As I pointed out the other night, we are down on barley sales because we do not know whether we can deliver it. We do not have it in commercial storage.

*Prairie Grain Advance Payments Act*

● (4:10 p.m.)

Today, I would rather the minister left than fall asleep as he did yesterday. In any event, it does not matter because I am talking to the minister in charge of the Wheat Board. He has the predominant influence upon the western economy. That minister has deliberately cut \$150 million from the amount farmers will receive as a result of his rationalization of the grain program. He has deliberately reduced the amount of grain in commercial storage. How will this bill affect that situation?

The farmers who have already received \$90 million in advances are not given any guidance in this bill as to how they can pay back that money or how the provisions can be utilized. When this legislation was first introduced in 1957, the Liberal party opposed it. This measure has proved to be very satisfactory and workable. A former Prime Minister, the right hon. member for Prince Albert (Mr. Diefenbaker) was told when he introduced this measure that it would be unworkable. It worked successfully up until October 29, 1968, at which time the party now in power deliberately set out to ruin the small farmer and drive him into the cities.

A year ago \$228 million was obtained from cash advance funds by prairie farmers. A great number of bushels of wheat has been sold since then, but the government has latched on the most of the money. The government latched on to \$133 million. Most prairie points have a delivery quota of about five bushels per acre. I do not know the actual quota figures, but they used to be about 80 million bushels of wheat per one-bushel quota on the prairies. That was the rule-of-thumb in respect of elevator clearances. About \$130 million, as a result of this ratio, was absorbed by the government between the crop year 1970-71.

Let us analyse this. The rule-of-thumb is 80 million bushels for a one-bushel quota. Surely, that does not justify the government absorbing \$130 million. Farmers have been able to deliver up to a five-bushel quota. According to the old rule-of-thumb this would amount to a little over one-fifth of the farm income from wheat sales taken by the government. Surely that is not fair ball as far as the farmers are concerned. At the moment there is about \$95 million owed by farmers as a result of cash advances. How will this bill affect that situation? A great proportion of this amount of money is outstanding. This bill suggests that the government can charge interest on this outstanding amount. I suggest it would only be a hard-hearted man who would suggest that the government charge interest on the total amount.

Perhaps the minister is right in suggesting that the bulk of farmers will not be charged interest, but the ones who will be charged are those who are most in need of help. What does this government suggest? Obviously, this government intends to take steps to force small farm operators to move into the city. That is apparently the aim of this government, and that is what this legislation will accomplish. The provisions of this bill represent one more step, in the words of the minister, in the attempt to rationalize and improve the situation of the grain indus-