

after that, if the government does not want any grain, it may reduce the advance to as little as 25 cents, I suppose.

In my opinion, Bill C-239 ignores certain things, because there seems to be no relationship whatsoever between the amount you can draw as a cash advance, under the bill, and the real worth of the product. Under the old act, when it was originally introduced, you were given 50 cents a bushel on wheat, and you had to repay 50 per cent of that when the crop was sold. The final payment on the wheat was, on average, slightly better than \$1 a bushel, depending on the variety of the grain, and that made sense. Even the worst grades, or the lowest grades, Nos. 5 and 6 of wheat, were covered at around 95 cents a bushel. Of course, for those who are not familiar with the way we grade our crops, the lowest grades usually involve grain which has been badly frozen or badly infected in some way or badly shrivelled through drought. Nevertheless, there was some logical way in which the farmer could repay his advance.

On June 2, when the Prime Minister (Mr. Trudeau) made his speech in Winnipeg, it was obvious what would happen. The government wanted to entice the small farmers into debt through its cash advances legislation.

An hon. Member: Which year was that?

Mr. Horner: In 1968, before the minister in charge of the Wheat Board was ever considered as the minister who would be in charge of cash advances legislation. When the minister came into the House on May 4 and explained with that right tone of voice why the cash advances legislation had been adjusted in the fall of 1968, he ought to have been honest and frank and told us the truth. He ought to have told us why the Prime Minister made that announcement on June 2, 1968, and why the government would amend the cash advance legislation by providing for lower repayment terms. There was no basis for this. There was no sound business practice followed in that legislation unless it was to drive the small farmer into debt.

• (3:50 p.m.)

I forgive every member for not being suspicious of the government when that legislation was debated on October 29 and 30, 1968. At that time we did not know that the object of the government was to drive the small farmer off the farm. That is the purpose and intent of every piece of legislation that has been submitted to this House. There has been a whole series of measures of that type.

Other hon. members have referred to Bill C-176, the marketing bill. I am not going to refer to it in detail. That bill establishes in perpetuity the large producers of commodities and prohibits small or new producers from getting into the business. The same applies with regard to this legislation.

In 1968, the government enticed the small farmer into borrowing more money than he could possibly repay. At that time, some of us warned the minister that it was mathematically impossible for the farmer to repay within a given crop year what the government was prepared to

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lend him. The minister realized the folly of his legislation and stated after one or two days debate that if the farmer could not repay his indebtedness at the end of the crop year, he would be allowed to carry that amount over to the next year.

What does Bill C-239 do? It bangs the door shut on those poor farmers who have been sucked into debt. The interest rate is going to be increased. Under the old bill, the interest rate for cash advances was 6 per cent. The standard rate for all farm legislation is now 7½ per cent. The going rate of interest will now apply to cash advances for farmers. Cash advance legislation was always interest free until the wheat board called upon a farmer to deliver the grain. If he could not deliver, interest would apply from that day forward. This legislation goes further than that. Under clause 6 of the bill, the Governor in Council has the power to backdate the interest to the date the loan was originally taken out, if it is so decided.

I wish to reduce this to practical terms so that all hon. members will clearly understand what I am saying. For example, if I were a farmer who produced a lot of barley and could not sell it because I had no way of getting it to the elevator, either because of the roads being blocked or for some other reason, I would take a cash advance. If a feed dealer or feed lot operator came along, I could sell him my barley. He would pay more than the elevator would pay. Later on, the wheat board would call on me to deliver this barley. If I had received the cash advance and could not deliver, the wheat board would ask me to pay up. Not only would I have to repay the loan, but I could be charged interest from the time I took out the loan, even though at the time I took out the loan my intention was to sell the barley to the wheat board.

The minister in charge of the wheat board, much to his amazement and the amazement of the Wheat Board, knew that the initial price of barley was too low this fall. The Wheat Board were not getting any barley. It was moving to the feed lots and feed mills. It was being sold in any way it could be sold at a higher price than the Wheat Board was prepared to pay, particularly the initial price. What did the minister do? He turned aside barley sales. We in Canada, with our ability to produce, actually turned aside barley sales. I notice that the minister is paying close attention to what I am saying. He is not disputing the fact that we have actually turned aside barley sales. He is nodding his head in the affirmative. We turned aside barley sales because the price was too low.

Mr. Deputy Speaker: Order, please. The minister is rising on a point of order.

Mr. Lang: It is actually a question of privilege, Mr. Speaker. The implication of the hon. member is that I am either agreeing or not agreeing. For future guidance I say to him that when he says anything right, I will say so. In that way, I will not have to speak very often.

Mr. Horner: I guess that was just a smart remark, Mr. Speaker. I did not get that point of order or question of