

Prairie Grain Advance Payments Act

a wide education in order to understand the advice offered by city men and to select only that which will do the least damage.

In considering the legislation before us I sincerely say it is high time that practical and realistic people involved in the agricultural economy were brought into the picture. In his deliberations and consultations with various groups throughout the country I hope the minister will use their practical knowledge. Though we may pass Bill C-239, I would suggest that the regulations are most important. Unless practical people are consulted, all the legislation in the world will not help and we will go merrily on our way taking a hard approach to the rural agricultural producer.

● (3:50 p.m.)

It is high time everybody appreciated that the agricultural producer is the backbone of the nation. It is high time those who draw up legislation looked at the situation to see what return the agricultural producer is getting. The people who draw up the regulations should go into the rural areas of Canada before they attempt even to draft a bill of this kind. These remarks apply also to other bills that we deal with in this House, but particularly to the people concerned with Bill C-239. It is high time those people obtained the necessary knowledge in the field; they should not rely on university degrees only.

Mr. Cliff Downey (Battle River): Mr. Speaker, it gives me great pleasure to speak on this bill to amend the Prairie Grain Advance Payments Act. I think almost all hon. members of the House, certainly those concerned about agriculture, agree in principle with these amendments. Cash advances on stored grain have assisted farmers over the years and have allowed farmers to obtain interest-free money on grain on hand. That money has tided them over until sales have been possible.

I believe some areas of the bill could be changed to the advantage of all. Certainly changes should be made to the bill to make it more workable from the standpoint of the farming community. Clause 6 of the bill, on page 4, is one area that gives me concern. It speaks of interest rates that may be charged back to the beginning of the loan if the loan was made in cash instead of taking the usual form of an advance against grain deliveries. If I am wrong in my interpretation, I hope the minister will correct me.

I wonder if the following situation would not be possible under this clause. Let us suppose a farmer took a cash advance against his grain and then decided, because of market conditions, to buy cattle or other livestock. Let us say that he fed the livestock with grain and did not sell his in the usual manner through the elevator system. If he fed this grain to his livestock and then repaid the advance in cash, would he not be penalized and possibly have to pay interest from the beginning of the loan? Would he be penalized because he fed the grain to his livestock instead of selling it through the elevator system? If he had not gone into the livestock business he would have sold the grain through the elevator system.

[Mr. Skoberg.]

I do not think that there should be any discrimination in this area. I think a permit holder or bona fide farmer who has taken a cash advance should have the opportunity of repaying the loan in any way he may wish. After all, that would help the diversification of agriculture and bring about the flexibility that we need: it would be brought about if farmers had the privilege of paying these loans back in whatever way they wished.

Turning to clause 7 of the bill, I wish to say a word about the flexibility that is to be allowed to the Governor in Council with regard to the amount that may be paid against a bushel of grain. I am referring to loan repayment rates. I suggest that it should be a fixed rate. I do not think it is good to have a flexible rate, because the farmer must be able to plan ahead like any other businessman.

The farmer plans his credit as he plans anything else, and when he makes plans for the purchase of fertilizer, equipment and that sort of thing he must know how much of his income will come out of the grain that he delivers. If that item is too flexible and if the Governor in Council can vary the amount of the return, I think the effects will be undesirable. They might be disastrous for an operator who had made a long-term commitment and then found that his repayment terms had been altered. I suggest that this area of the bill ought to be looked at before the bill reaches its final form.

The hon. member for Moose Jaw (Mr. Skoberg) referred to the regulations that are enacted with bills of this kind. In that regard, this bill is no different from any similar bill. Often the regulations and the bill are interpreted differently than was intended, possibly, by those who drafted the legislation. I think the regulations ought to be placed before the House together with the bill in its final form so that we may be aware of what we are dealing with. Too many times have regulations thwarted the real intent of a bill.

I suggest that the regulations ought not to be interpreted by people who lack the required background and an awareness of the situation which exists. Too often these people are more concerned about whether a bill is workable and about its drafting from a legal standpoint, than about its effect on the producer and the credit arrangements of the farmer. Before this bill reaches its final stage we ought to know what will be the regulations under it. There are certain hazy and hairy areas in this bill that might easily lend themselves to misinterpretation. The regulations could be interpreted in a manner detrimental to the farming community.

The whole business of cash advances has always met with ready acceptance in this House and across the country. I think we have come to realize that increasing and improving farm credit facilities, whether by way of cash advances, improved farm credit arrangements or farm improvement loans, have benefited the agricultural community. It all boils down to the fact that we must be more aware of the importance of agriculture on the national scene.