

Prairie Grain Advance Payments Act

scribing the rate of interest payable on cash advances made during the crop year for which the interest is required by this act, it has to be paid on the advance payments, so it does not spell out what the interest rate will be. No formula is given concerning how the interest rate is to be calculated. Is that fair in respect of legislation to help out the farmer, under which originally advances were interest free? The government, in its ill-advised wisdom, has introduced shameful legislation to drive the farmer into debt. Members on this side of the House advised the government that the net result would be that the farmer would be driven into debt. In respect of the repayment schedule, Mr. Earl, as recorded in committee proceedings No. 51, at page 7, said:

● (9:20 p.m.)

They are due, but as you mentioned a little earlier, the repayment schedule got out of whack with the rate of advance.

How could anything be more clear? Those are the words of the spokesman for the Canadian Wheat Board before the agricultural committee. So the repayment schedule got out of whack through no fault of the farmers. Notice of 20 days is to be given before the 46,000 farmers may be charged interest. What has been in other agricultural legislation with regard to setting the interest rate? In almost every piece of agricultural legislation presented to this House the interest rate or the formula for arriving at the interest rate has been clearly spelled out. The Farm Credit Corporation is one example. The formula in respect of the interest rate is clearly spelled out as being one per cent above the prime government borrowing rate.

In the Farm Improvement Loans Act the formula in respect of the interest rate is clearly spelled out. In the initial concept cash advances were interest free, but now no attempt is made to spell out the formula under which interest will be arrived at. In essence, it will be all the market will bear. One becomes pretty leary about this government when it seeks the power and the right to charge farmers for whatever service they receive. I have long since come to the conclusion that this government is bent on trying to get back every dollar it has paid out in the field of agriculture. The government is trying to remove itself from every obligation which may cost it money.

Bearing that in mind, one might ask what motivates the government. One can say the government is being abusive in charging interest because when this legislation was first devised and introduced cash advances were completely interest free and worked quite successfully until the government changed it and put the repayment schedule out of whack. Now there is to be an interest rate. One could readily say it should be no higher than 5 per cent, the rate charged under the Farm Improvement Loans Act, a nominal fee for the use of money paid out on grain as security which is in the farmer's graneries. The feeling is that a rate of 5 per cent would be rejected out of hand because the government increased the 5 per cent rate on farm improvement loans by 2 per cent, which is about a 40 per cent increase.

[M. Horner.]

It is no wonder Mr. Barber in his report on the cost of farm machinery commented on that matter. Let us look at other legislation. When the old farm loans organization was changed in 1958 to the farm credit set-up there was heated debate inside and outside this House concerning the interest rate that should be charged. Five per cent was the figure arrived at. The government changed that and it is now 7½ per cent, or in that vicinity.

We wonder what the government would charge under clause 13 when no formula is given and no rate is prescribed. We are being asked to leave it to the government to set a rate when it declares a portion of the 46,000 loans to be in default and due. Mr. Speaker, that is not good enough for me. I would be less than honest with the people whom I represent in this House if I did not attempt to have written in an interest rate formula. Most of my constituents will accuse me of writing in a formula which is too high. I expect that accusation because I believe it is too high. However, I wrote it in as one per cent above the average rate charged the Canadian Wheat Board on its borrowings because I wanted the government to accept this amendment.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Horner: Mr. Speaker, I have just a few more comments.

The Acting Speaker (Mr. Laniel): Does the House agree to allow the hon. member to conclude his remarks?

Some hon. Members: Agreed.

Mr. Horner: Mr. Speaker, I acknowledge the gracious attitude of the Chair and the House, but I believe the mover of an amendment has 40 minutes. I do not believe I have spoken for 40 minutes. In any event, I shall not ask the Chair for a ruling on that touchy subject.

I was saying I did not attempt to write in the lowest rate of interest I felt should be charged. I did not attempt to write in a rate of interest which I felt might result in my being accused of writing in one that was too low, because I felt in that case the government would callously disregard the amendment. I endeavoured to write an amendment which the government would find acceptable. In the committees, members of this House are supposed to be non-partisan. I see, Mr. Speaker, that you have found the authority in respect of my suggestion. I can assure you I shall not take my 40 minutes. As I was saying, I tried to bring in a formula in respect of an interest rate which would be adjustable with varying conditions and varying times in the Canadian grain industry, and not in an industry unrelated to cash advances.

● (9:30 p.m.)

Through this amendment I am attempting to write in a formula that is acceptable to the grain industry. I hope the farmers will forgive me for putting the rate so high, but at least if accepted the government could not put its