

Advance Payments for Crops

organizations do not have, so they would have to be close to the farmers and producers in order to provide the service that is necessary. It is possible that the fee may be very, very high to keep the organization above ground when it is administering this plan.

As it stands now, Mr. Speaker, the bill also denies cash advances to producers who do not wish to belong to an organization. There are many independent farmers in this country—and I pat them on the back—who have made their way in this system without belonging to any organization. This was brought forward by the hon. member for Richelieu (Mr. Côté) during the committee hearings. He said that all the producers who are accustomed to selling at the retail level and storing their own production, because they were smart enough to organize their marketing, are not covered by this bill.

I feel it is most unfair to exclude non-organized producers from the benefits of this legislation. The banks should be given the power to perform the intermediary function in cases where farmers do not want to join an organization. Officials of the Department of Agriculture state that they are reluctant to get banks involved in administering the advance payments because it would impede the orderly marketing of crops. However, my colleague, the hon. member for Moose Jaw rebutted this argument very effectively at the committee hearing of December 7, 1976, when he stated:

● (1700)

I do not think the fact that the loan if it were made through a bank would have any effect on the orderly marketing aspect of it at all because if you make the loans through an organization you still do not have any more control of directing the time and place of marketing.

Banks are uniquely suited to the administration of the advance payments act. Having dealt with farmers for a number of years, the major banks are keenly aware of the risks and constraints involved in agricultural production in Canada. They have the staff and the ability to do these things without extra cost. The successful handling by banks of the government guaranteed farm improvement loans program and a number of other programs is testimony to their competence in farm lending.

I hope that the House will give serious consideration to the proposed amendment which, I believe, is in order and does not take away from the royal recommendation. As I have stated before, the amendment only gives flexibility to the administration of advance payments. It does not detract in any way from the principal intent of the bill.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I want to say at the outset that we in this part of the House have some sympathy with the amendment. What the amendment proposes is what producers have to do quite often in any case.

If a producer has a cellar full of potatoes or has sheds full of other storage products such as corn on the cob, and the market is not readily available, either locally or at a distance, it is common practice for him to go to his bank manager or credit union manager and get a loan until such time as he can market some of his crop. The only difference is that he has to pay

[Mr. Schellenberger.]

interest on that loan from the first day. In this case, if the amendment is adopted, the producer could still go to the same credit union or bank manager and get a cash advance on his crop, which is what he might have done many times before, only this time it will be under a government guarantee.

I agree that there is no doubt that with many types of produce in different parts of Canada there are few if any producer organizations in existence and, if there are, they are not very strong. The amendment states: "where a suitable organization willing to assume the obligations of this act does not exist . . .". In such a case the individual producer should be able to go to his bank or credit union manager for a cash advance under the provisions of this act. Where there are marketing co-ops, for example, in potatoes or other commodities, and they are fairly widespread, undoubtedly the producer will go through that marketing co-op.

I should like to sound one cautionary note here. I presume that in the administration of the act, assuming the amendment is accepted, one thing that the bank or credit union manager will have to do will be to ascertain, if I have three or four cellars of potatoes in storage and am unable to market them for some period of time in the future, and want a cash advance, that I have those potatoes properly stored and that they are not rotting in the cellars. This would mean that there is an onus not only on the producer but also on the institution lending money under this act. I know that under the cash advance program many farmer friends of mine who come to the elevator with oats or barley are well known by the agent. That agent would know if a farmer has not a bushel left in the bin and therefore he will not get a cash advance. He might be able to get it somewhere else, but the elevator agent knows all his customers, and knows when a fellow did not have a good crop that year, or had fed most of his grains to his cattle and bootlegged some of it to other places. His bins are empty, and if he tries to get a cash advance the elevator agent would know about it.

The lending institution would have to bear some kind of responsibility under the provisions of this act for the loans that are made, but I do not see that as a handicap. It would not hurt the credit union or bank manager to be more aware of the situation of his individual customer in any case.

Assuming the amendment is in order, Mr. Speaker, of which you will advise us later, I see no harm in it. In fact there is no doubt that in some parts of the country it will not be particularly useful, such as in my province, but there is no doubt that in other parts of Canada it will be very useful to thousands of individual producers until such time as they get larger and more effective producer organizations which can look after this for them. Therefore, Mr. Speaker, we are in favour of the amendment.

Mr. John Wise (Elgin): Mr. Speaker, in rising to support the amendment put forward by my colleague, the hon. member for Wetaskiwin (Mr. Schellenberger), let me begin by saying that during the rather brief second reading debate and throughout the committee proceedings my colleagues and I have raised several questions with respect to the provisions of