

*Prairie Grain Advance Payments Act*  
**INCOME TAX ACT AND ESTATE TAX  
 ACT**

**Hon. E. J. Benson (Minister of Finance)** moved that Bill C-165, to amend the Income Tax Act and the Estate Tax Act, be now read the first time and be printed.

Motion agreed to, bill read the first time and ordered to be printed.

**PRAIRIE GRAIN ADVANCE PAYMENTS  
 ACT**

AMENDMENT PROVIDING EMERGENCY PAY-  
 MENTS TO MEET DRYING COSTS

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce)** moved the second reading and reference to a committee of the whole of Bill C-162, to amend the Prairie Grain Advance Payments Act.

**Hon. Otto E. Lang (Minister without Portfolio):** Mr. Speaker, we had before us earlier this year amendments to the cash advance legislation which doubled the amount of the advance available to farmers and which has been made great use of by prairie farmers since it was enacted. To date a total of \$127 million has been advanced to farmers, a total of 72,000 producers, under the amendments and the previous act. This is approximately double the amount which was advanced in any previous whole year, the previous record having been in 1960-61 when 76,000 producers received a total of \$64 million by way of advance. Hon. members are aware of the difficult harvesting conditions which affected last year's crop and of the importance of drying that part of the crop which was harvested in tough or damp condition.

The existing drying facilities in the terminals will not be able to dry more than a limited amount of the grain involved. As a result, there is a significant burden on the farmers of this region to dry the grain themselves. They are proceeding in this direction, but in some cases a shortage of ready cash and the credit situation in which they find themselves may be impeding the drying operation.

With a view to correcting this situation, this bill would further amend the Prairie Grain Advance Payments Act to provide for emergency cash advances, interest free, for the purpose of drying grain on the farms. The legislation proposed would allow permit holders to apply for a further advance notwithstanding the fact that they had previously obtained an advance, indeed the maximum advance, otherwise allowed under the act. They would be allowed to apply for an

[Mr. Speaker.]

advance to a maximum of \$600. The security for the advance would be undelivered grain on the farm. The bill provides, therefore, for cash advances, interest free, for the purpose of drying grain or for paying the costs for grain which has recently been dried. There is a significant quantity of grain to be dried, and it is hoped this legislation will permit the prompt movement of that grain to the dryers so that maximum use will be made of the fairly considerable grain-drying equipment which exists in the prairie provinces.

It is our hope that this legislation will pass quickly. The government has been in consultation with the Wheat Board about implementing the legislation as soon as it becomes law. The Wheat Board will be in a position to undertake the necessary administrative steps so that the advances will be available in short order. I therefore urge hon. members to join in the enactment of this legislation to make available to farmers who need this additional cash, interest free, the amount they need in the shortest possible time.

**Right Hon. J. G. Diefenbaker (Prince Albert):** Mr. Speaker, this legislation brings to mind the fact that between 1952 and 1957 Her Majesty's loyal opposition pressed for action to be taken by way of legislation to permit cash advances on farm stored wheat. Successive ministers of trade and commerce and the government as a whole said it could not be done, that it was an impossibility. Within a few days of our taking office we brought in this legislation which has been continued, as have other pieces of legislation passed under my administration although criticized at the time.

This is of interest to the minister because I recall—I say this in the best of good spirit—that a few days after the general election he said that he expected to be minister of justice but he would settle for the ministry of agriculture. This apparently is one step forward in the general direction of the latter portfolio, certainly not the former.

The minister has very carefully refrained from giving the facts of the serious situation in western Canada. The amount of wheat in western Canada still undried is 217 million bushels, of which 108 million bushels are in the province of Saskatchewan. The drying operations have been comparatively small, although not insignificant. The total amount of wheat dried on the farms is estimated to be as follows: in Saskatchewan, 16.9 million bushels; Alberta, 12.9 million bushels; Manitoba, 12.3 million bushels. So far as the