

The subject is "Farmers Borrow Less From FCC" and in part it reads:

The largest portion of the loan decline is reflected in the amount borrowed to purchase land. Reasons for this are seen as (1) the unwillingness of some farmers to expand their business during a period of uncertainty in the agricultural industry, and (2) lack of opportunity in the economy for low-income farmers to find satisfactory alternatives for earning a living and thus a reluctance to sell their properties.

This gives some idea of the position in western Canada. I think that there are other bills and legislation which would be far more important to western farmers than the amendment to this particular bill. The government should let the farmers know what they should be seeding in order to give them an opportunity to try and clear up the mess they got into with their barley and oats acreage. The government encouraged the farmers to diversify and now there is no sale for their crops. These matters should be looked into without further delay. This act was put through the House some years ago by a Conservative government and it won acclaim throughout the country. It has kept farmers on the land who could otherwise have been squeezed off by an earlier Liberal Government.

**Mr. Craig Stewart (Marquette):** In speaking on this legislation to amend the Prairie Grain Advance Payments Act, I want to stress at the beginning that I agree with the principle of cash advances for farmers. We all know that this legislation was introduced by a Conservative government. However, there are several provisions that I do not agree with in this bill, and I should like to point them out to the minister.

Under the bill, the government can set the rates for cash advances at any time by order in council. We all know that under the old act the rates for cash advances were \$1 per bushel for wheat, 40 cents per bushel for oats and 70 cents per bushel for barley. Under this bill, with the government setting the rates by order in council, the farmer cannot plan his finances at the start of each season. He is not sure of the marketing prospects nor of how much cash will be available to get the crops harvested. The way grain prices have been going down, the rate of the cash advance will soon be higher than the sale price of the grain and I think this is why the government has changed the rates.

I am also against changes in the interest rates proposed by this legislation. Under the old act, past due interest was set at 6 per cent but under this bill the interest will be set at the going rate. I am afraid the same thing will happen as happened under the Farm Improvement Loans Act and the Farm Credit Act when interest rates went from 5 per cent to over 8 per cent at one time. The government can, if it likes, set the interest from the date of the loan. I do not like this as it is going to be particularly detrimental to small farmers and farmers who have been forced to sell their grain to feed lots. This winter farmers in Manitoba were able to sell barley to feed lots for approximately 85 cents to 90 cents per bushel, but if they delivered to the elevator they only got 75 cents or 76 cents. They will not be able to take advantage of this

#### *Prairie Grain Advance Payments Act*

type of market in future because, if the government cares to do so, it can predate interest to the day the farmer makes the loan. This will certainly discourage him for selling grain to feed lots. What it amounts to, Mr. Speaker, is that the government is turning the cash advances into a demand not through this legislation. In many ways it is another step by this government to destroy the family farm operation as we know it. Much of the legislation is directed toward this end.

Let us look at the record of the government pertaining to agriculture and the legislation they have brought forth in the past year which, in some respects, ties in with the legislation before us. Operation Lift is an example. Last week I was talking to a farmer who ably described this program when he said, "Another Lift and I will be off the farm." There were changes in the Crop Insurance Act and coming before Parliament shortly is the grain stabilization program which should be carefully scrutinized by all members. There was also the Canada Grain Act. We were told that the purpose of this measure was to increase markets by bringing in the new grading system for grain based on the protein content. When the bill came before the House and the Agriculture Committee, we found that the legislation was designed to try to phase out country elevators.

Then, there is the marketing bill, C-176. From the number of coupons and correspondence I have received, it is obvious that few farmers support this bill. Just last Wednesday I received a call from farmers in Gladstone, Manitoba, inviting me to speak at a meeting this past Monday in order to explain Bill C-176. There were 350 farmers at the meeting and after two hours of discussion and questions on the legislation, the chairman called for a vote from the floor to determine support for this legislation. Not one farmer rose in support of Bill C-176 but over 300 opposed it. This certainly illustrates the farmers' reaction to this legislation.

**An hon. Member:** Or your explanation.

**Mr. Stewart (Marquette):** There was not a Liberal member from the west who would go out there and explain it to them. Changes are also proposed to the Wheat Board Act regarding rye, flax and rapeseed. You will notice, however, that none of these programs, including the bill before us today, gets down to the real problem facing agriculture and that is, aggressive marketing.

**Some hon. Members:** Hear, hear!

**Mr. Stewart (Marquette):** When the Prime Minister (Mr. Trudeau) asked in Winnipeg, "Why should I sell grain?", it indicated the attitude of the present government toward the western farmer.

**Some hon. Members:** Hear, hear!

**Mr. Stewart (Marquette):** Instead of the government coming out with negative programs, it is time they got some positive selling program for agriculture in western Canada. I say we should have aggressive selling and, as