

Prairie Grain Advance Payments Act

nor in Council. This is certainly suitable in many respects and the formula which suggests that the cash advance price should be related to an approximate two-thirds of the anticipated final price has some merit. I hope that this new mechanism as used and also the safety valve contained in it, whereby there is an escape clause in the event that the amount of the advance that could otherwise be recovered is less than the farmer would be able to receive, and relating this to the repayment schedule I hope it does not mean that the Wheat Board is anticipating further reductions in grain prices.

This afternoon the minister drew our attention to the removal of the bias favouring wheat. This is acceptable, as is the proposal to place permanently in the legislation help for drying damp and tough wheat and the possible provision of advances for unthreshed grain when circumstances warrant it. The changes proposed with respect to repayment provisions on cash advances are also useful.

The minister correctly noted a decline in confidence regarding the cash advances system. I think this arose out of the very difficult marketing situation which prevailed in recent years and the feeling of hopelessness among many farmers that the existing system would enable them to repay their cash advance in the foreseeable future.

I also noted the minister's remarks concerning the plan to charge interest on defaults in payments and on repayments which are made in cash rather than deliveries of grain. I acknowledge that some problems have arisen in this regard and agree that action is warranted to deal with them. But other problems could be created as a result of the action proposed by the minister, some of which may not be fully recognized at this time. I urge the minister to keep an open mind on the problems that may arise. There should be some flexibility to take into account unforeseen problems.

I appreciate the minister's response to my question earlier today regarding the problem of farmers who may grow registered seed and who, for a variety of reasons, may be unable to sell it as such and in the end have to sell it as commercial grain. They do not know what the outcome will be at the time they harvest the crop and put it into storage. I think this is a situation where a farmer quite honestly may be in a position where he needs cash. Certainly he can honestly say that he may deliver that grain as commercial grain rather than as some form of registered or certified seed. I raise this problem simply by way of example of the situation that can arise. No doubt there are other problems encountered when attempting to introduce the restrictions which the minister has proposed.

I have noted a number of areas in this bill with which I am in basic sympathy and agreement. My real quarrel is with the proposal to remove all references to the unit quota. I acknowledge that there have been problems with respect to the administration of the unit quota. When originally introduced, its purpose was to help the small farmer. I would agree to its removal if there were something acceptable to replace it. The unit quota did help the small farmer and I think the minister recognizes this.

[Mr. Burton.]

Most of them live in the more productive grain producing areas of the Prairies and many also have a smaller acreage of summerfallow than the average. Operation Lift really hurt these small farmers who had little room for flexibility. The large farmers with 1½ or two sections or more had room for flexibility when planning production for 1970 to take into account the proposals contained in Operation Lift. The small farmer did not.

The minister is well aware of some of these problems. He will no doubt recall a letter which I drew to his attention, received from a constituent of mine. It was addressed to the minister and a copy was sent to me. This farmer pointed out that he had a half section of land and had cut down his wheat acreage in 1970 to 50 or 60 acres, and he had some summerfallow as well. Under the quota system he was only able to make a very small amount of deliveries. He pointed out that under the quota plan it would take something like three years to deliver all the grain he had produced because he had a bumper crop. The minister was good enough to send me a copy of his reply to the farmer, in which he seemed to deny the suggestion that the government's program had harmed the small farmer at all. I argue with that contention.

Mr. Lang: Mr. Speaker, would the hon. member permit a question?

Mr. Burton: Yes, certainly.

Mr. Lang: I wonder if the hon. member appreciates that those farmers without surpluses who took the advice of the program last year and grew barley and rapeseed because of the discouragement of wheat, are in fact better off than they would have been under any other circumstances.

Mr. Horner: Did you encourage barley production last year?

Mr. Lang: For those without surpluses, yes.

Mr. Horner: When?

The Acting Speaker (Mr. Richard): Order, please. The hon. member for Regina East (Mr. Burton) has the floor.

Mr. Burton: This farmer grew something like 50 or 60 acres of wheat out of 320 acres of land. If that is not sufficient response to what the government did, then I don't know what the minister expects. If he expects this farmer to live on nothing at all, he is mistaken. At the same time the minister urged farmers not to increase their acreage of other crops. Operation Lift seriously hurt the small farmer.

Mr. Horner: Hear, hear!

Mr. Burton: By his interjection this evening, the minister has again demonstrated that he fails to understand the serious problems faced by small farmers in the Prairie provinces and the serious situation in which government policies have placed them. They simply cannot sell