of these proposals have one thing in common that is a recognition of the urgent need to get cash into the hands of farmers in western Canada. This is the point that is stressed in the motion now before the house.

Members of the house should be aware of just how serious the situation is. I have just returned from three days in my constituency where I had the opportunity of talking to many farmers. I was told of several cases where farmers were unable to finish their summerfallow work because they could not purchase the necessary gas for the tractor. I was in the village of Leslie last week where the board of directors of the local co-operative association had just decided to place all purchases in a cash basis. They had no choice. They had to have cash to pay their accounts because otherwise they would be placed on a c.o.d. basis. They knew farmers were not holding out in paying their accounts. Credit unions in many communities find that their cash reserve position is not good even after drawing on a line of credit. Banks and credit unions find that many of their borrowers have borrowed to the limit in order to keep farm operations going. Last week news broadcasts reported a case where a farmer had $20,000 worth of grain stored on his farm but his electric power was cut off because he did not have the cash to pay the bills.

The quota situation on grain deliveries continues to drag badly. Not long ago, indications were that a 6 bushel quota might be in sight. A few weeks ago this prospect was reduced to a 5 bushel quota. Now, I understand that the Minister of Agriculture recognizes that a full 5 bushel quota will not be delivered by the end of the crop year. Farmers recognized this fact some weeks ago and I am glad the minister has now recognized it. On Friday last, I asked the Minister of Industry, Trade and Commerce (Mr. Pepin) about continuing inequities in grain delivery quotas. Had it not been that I had recent contact with the communities still on a low delivery quota, I would have been shocked by the minister's reply. He reported that 4 delivery points on that date were still on a unit quota. There were 19 stations on a one bushel quota and 204 delivery points on a 2 bushel quota. The minister also reported that there were 579 points on a 3 bushel quota, 664 on a 4 bushel quota and 347 points on a 5 bushel delivery quota. The minister went on to state that he was assured by the chief commissioner that his hopes are still very high that all stations will be on a 5 bushel quota by the end of the crop year.

I suggest that even if all points are on a 5 bushel quota this will be quite meaningless as it is abundantly clear farmers will be unable to deliver a 5 bushel quota. I urge the minister at the very least to make sure that delivery quotas are equitable. Emphasis needs to be placed on those points with the lowest delivery quotas. Even when quotas are increased to 1, 2 or 3 bushels, it means very little in many cases in terms of more grain deliveries. This is because the grain delivered last fall and winter on the damp grain quota counts on the new delivery quotas. Regardless of the exact outcome of grain deliveries, there is no question that a 5 or 6 bushel delivery quota is inadequate to meet farm operating expenses. There are many farm management studies available to support this statement.

Furthermore, the situation is going to get worse. There is no prospect yet of an improvement in the grain marketing situation. When the new crop year commences on August 1 many farmers will find that grain deliveries have been insufficient to repay the cash advance for 1968-69 and consequently they will qualify for a greatly reduced cash advance for 1969-70. A continuation of slow grain deliveries, together with a further drop in the final payment on the 1968-69 crop to an insignificant level, will place many farmers in an impossible position. At this moment, many farmers do not know how they are going to finance harvest operations.

• (5:30 p.m.)

Like a creeping paralysis, the effects of this situation are gradually spreading to other sectors of the economy. Towns and villages servicing the immediate needs of agriculture were the first to feel the pinch. Many small businessmen are in a desperate position. Employment in these centers is now very slack. The situation has extended to larger urban centres. In the city of Regina, a serious employment problem is emerging. Retail sales in Saskatchewan, I understand, are now running about 15 per cent below last year's already slack level. I suggest the effects of this crisis are now being felt in other parts of Canada as well.

The critical, urgent need at this time is for a massive injection of cash into the western farm economy. Both the Canadian Federation of Agriculture and the National Farmers'