

*Government Orders**[English]*

**Mr. Cooper:** I ask that the remaining questions be allowed to stand, Mr. Speaker.

**Mr. Deputy Speaker:** Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

**GOVERNMENT ORDERS***[English]***ADVANCE PAYMENTS FOR CROPS ACT**

## MEASURE TO AMEND

The House resumed from Wednesday, October 4, consideration of the motion of Mr. Mazankowski that Bill C-36, an act to amend the Advance Payments for Crops Act and the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the amendment of Mr. Foster (p. 4314).

**Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)):** Mr. Speaker, in the approximately 10 minutes that I have I would like to outline for the House what the bill is. In listening to the opposition yesterday and a little bit on Tuesday, you would never know what this bill is.

Quite simply, this is a bill to change the way the present two bills, the Advance Payments for Crops Act, and the Western Grain Advance Payments Act operate. The Advance Payments for Crops Act was put into effect a little later than the Prairie Grain Advance Payments Act. Up until now farmers were able to go to their elevator, in the case of the Canadian Wheat Board, or make use of a producer association as far as the Advance Payments for Crops Act was concerned and obtain an advance on crops already harvested but not yet sold. Presently that legislation limits the amount of advance available to \$30,000.

What the government is proposing to do is to not take away the eligibility for advances as surmised from listening to the opposition. It is to change the way the two acts presently operate so that interest is payable on those advances. We are not in any way removing the farmer's ability to obtain an advance. What we are proposing to

do is to charge interest on those advances once they are obtained.

The suggestion has been made that this will hurt the orderly marketing system. Let me say that that is not the case. I do not see that as being the case at all. In fact you can make the other case that, to the extent that a farmer is able to obtain an advance before he sells his crop, it does not necessarily put a lot of pressure on him to sell his crop in order to get money. There are cases where that has actually hurt the orderly marketing system, maybe not to a large extent but there is that factor.

The suggestion was made that in terms of interest this will cost more money than you would have to pay if you went to the bank. Again, I do not think that that is necessarily the case. In fact, I would argue the opposite. We will have to wait to see what happens in practice. With a government guaranteed loan there is every reason to expect that the amount of interest that the farmer would pay, once he obtains a loan would be at or less than bank rate.

Certainly, in the case of the Canadian Wheat Board the Canadian Wheat Board operates, when it borrows money, at less than prime. To the extent that the board will be involved and will be able to offer those cash advances, there is every reason to expect that that could be better than the normal interest that a farmer would get from a bank. Again, that is not the case.

There is evidence, and there are cases, where a farmer does not need the cash advance to pay bills. The fact that the cash advance is there with no interest means that a farmer can go to the elevator, in the case of the Canadian Wheat Board, or make use of his producer association, in the case of the Advance Payments for Crops Act, obtain the advance, pay no interest on it and essentially have free money for a period of time. I do not think that that is a wise use of taxpayers' dollars. Again, I am not suggesting that that is a widespread practice but everybody knows that there are occasions when that has happened. By charging interest we will be making farmers look at how they use these two acts and make sure they use them with in good business practice.

• (1130)

I listened yesterday and the day before to all these things that are going to happen. Some of those suggestions are absolutely silly. I am trying to put into perspective what in fact these two amendments to the Advance Payments for Crops Act and the Western Grain Advance