

*Private Members' Business*

the same argument, that this is one of the best programs the government has.

• (1525 )

If everybody markets their corn or barley or wheat, or whatever the commodity is, at harvest time in October, prices are driven down. Everybody is desperately strapped for cash so this has the impact of driving the price of the commodity down. Under the interest-free cash advance, the mechanism is spun out so that the individual producer markets the crop in December or January or later on in the season and has a tremendous advantage. The advantage is not one for one, that you get an advantage of whatever the interest-free portion of the cash advance is, in some cases it is as high as 15 to 1.

I cannot for the life of me see why the government is removing that interest-free portion because the interest rates are at the lowest rate they have been in 10 or 15 years and it is the least costly of programs. When the government was driving the interest rates through the ceiling in 1989 and 1990, and interest rates for so many commodities were 14 and 15 per cent, at least double what they were in the United States, in a free trade environment one can imagine the impact it has had on the entire Canadian economy, but especially on Canadian farmers. Now when the interest rates are very low we have the ridiculous situation where the government is putting that additional burden on Canadian farmers.

That is the second part of the trilogy of the scorched earth policy that has been adopted by the government this spring. Beyond that, the government has moved today to table a bill in the House to change the method of payment of the Crow benefit.

This is the third part of the trilogy. Last December the government moved to chop the western grain transportation assistance program by some \$72 million, roughly 10 per cent of the benefit itself. When the Minister of Finance brought down his budget a few months ago he said: "Okay, I have taken away \$72 million. If you people do not adopt my policy I am going to double that". Well, it is a hollow threat because he is not going to be around. The idea of blackmailing producers with an either accept our policy or we will remove more of it is horrible.

This is a great historical support program. It was adopted because it is part of the Crow rate agreement dating back almost a hundred years. If the farmers do not agree to the change in the method of the Crow benefit,

the government will reduce the benefit. It is breaking faith with thousands of producers.

I hope the government will back down on this. There may have to be changes if the GATT agreement determines that this is an export subsidy and subject to a mandatory reduction. But at this stage there is no consensus and the government should not be cutting that support. It should not be blackmailing Canadian farmers at this time, or any other time, by threatening to reduce their support programs if they do not agree to the changes that the government is threatening.

I am glad to have had this opportunity to make these few comments this afternoon on the hon. member's motion because clearly this is a black day for Canadian farmers in what the government is proposing in these three scorched earth policies.

• (1530 )

**Mr. Bob Porter (Medicine Hat):** Mr. Speaker, I wish to thank the hon. member for Mackenzie for his concern about the future of the family farm. He and I have shared a considerable amount of time on the standing committee as has the previous speaker. While we do have those concerns, we may have different views on how to achieve them.

The government understands the important role of the family farm operation in our rural communities, economically and socially. That is why we have stood by Canadian farmers in times of need. Certainly these last few years have been times when farmers in all areas have gone through difficult periods as a result of markets, of weather conditions and of a variety of problems that they have faced.

In 1986-87 we provided \$2 billion to help farmers cope with low grain prices caused by an international subsidy war. In 1988, when farmers were dealing with one of the worst droughts in the history of this country there was \$800 million in special support through the Canadian Crop Drought Assistance Program.

As well, one may recall the program that was brought in for the deferral on breeder stock which had taken place that year where livestock had to be culled. If the tax had been paid and those cattle been replaced at the higher market value, that would have had a detrimental effect. This government did recognize, after 20 years of previous agricultural groups trying to initiate that program, the fact that breeding stock is like the machinery