

*Government Orders*

The Deputy Prime Minister this afternoon suggested that the program would have some value, or might continue to operate. That really is not the case because this program, at least in eastern Canada, is operated by farm groups like the Ontario Corn Producers Association. The Ontario Corn Producers Association tells me that at its board meeting just last week it was discussing how many farmers would take advantage of the program that the Deputy Prime Minister is talking about. The program in the past has provided benefits to about 1,200 corn producers. Their discussion was as to whether there would be 50 that would even bother taking the benefit, because by the time one pays the administration fee and the other charges, for people who have a very good credit rating there probably is no advantage at all under the program.

So, it is a very big question whether a lot of these associations which have operated the program and done yeoman's service in that regard would even bother. Various organizations have outlined how much harm this program will do. First, the costs are relatively minimal compared to the advantages. It is a relatively inexpensive program compared to many operated by the government, as the Deputy Prime Minister said, costing billions and billions of dollars. So this is a relatively inexpensive program in terms of providing for orderly marketing of Canadian farm commodities, and surely that is the primary goal of the program. It is not just the amount of interest support that is provided, it is the impact on the commodity; the price, the funding and support at a particular moment in time.

Without the program farmers who need the cash will tend to market their commodity as soon as the commodity is harvested. This program allowed them to shift the marketing from the months of October and November into the winter months and the spring months. That had a beneficial effect. It not only kept the price up during the fall months, but it tended to keep the price more stable in the spring months. It not only benefits the

farmer but at the end of the day it benefits the consumer. It does not result in having tremendous troughs when there is a surplus of the commodity in the fall and a shortage in the spring. It tends to level that out.

In the prairies we will see, with this bill destroyed, that farmers will rush to make deliveries in the fall, over-taxing a grain-handling system that does not have as much capacity as it needs to operate without this program.

• (1630 )

This program is not trade distorting. It does not increase production. It just provides for a much more orderly marketing arrangement. It does not stimulate production. The government, unilaterally, without the agreement of commodity groups—and certainly the dairy producers—last fall signed an accord at the GATT to not increase government support programs. They did some fast juggling in dairy by cutting out dairy support programs by some \$20 million or \$25 million and then raised the price of milk by 41 cents a hectolitre, which was less than what they had cut out in the budget.

Nowhere in that GATT accord of last April does this program provide for reducing the support programs. Yet this action by the government results in a reduction.

I guess the other concern we have as we look down through the range of government programs which were destroyed in the budget is that many of these programs which the government chopped out—some \$500 million over the next couple of years in support to farmers—are programs that were listed in the free trade deal as being subsidies. The free trade deal also provides for negotiation over the next five to seven years of what is a subsidy, what is an acceptable subsidy that does not encounter countervail or dumping duties. When we look at the budget we see the government, one, two, three, four is removing subsidies while the Americans, who they have not even started to negotiate with in earnest, are not removing any of their subsidies. They are not removing their advance payments or load interest programs. Why are we doing it?