

own reserves? That day is coming and this legislation will only accelerate the decline of our already dangerously poor storage capabilities.

In 1957 the Prairie Grain Advance Payments Act was introduced to meet a national objective. As Mr. Churchill stated: "This resolution will be for the benefit of the people of Canada". The Conservative government was bringing this in for the benefit of the people of Canada. This government, a Conservative government, now refuses to recognize this objective. Instead, it refers, and again I quote from the budget papers, to "the elimination of the interest subsidy".

This is not a subsidy. It is a payment to the producer for storage costs incurred with the rate of payment determined by the interest rate of the advance. Note the word "subsidy", a word not yet defined under the free trade agreement. Is the government somehow afraid that this is going to be brought up by the United States, that it will somehow be embarrassed and forced by the United States to remove this because it is a subsidy, a word yet undefined? Is this somehow an effort to remove this argument before it is even raised?

In 1957 Mr. Churchill stated: "The cash advance is not a handout or a subsidy to western farmers". What the interest free component does is recognize the economic consequences to the producer when we, the Canadian public, ask him to store his produce for our rainy days. In 1957 there was a crisis because every producer attempted to sell his crops at once to bank his profits, to ensure he could afford to plant a crop the next year. The interest payments are an attempt by the government to ensure that the farmer is not penalized for participating in a program of a national objective.

Now, however, we do not see a government that recognizes this national objective. I am confident, as we debate this issue today, that the government will continue to deny the need of this national objective. It is just cut, cut, cut. It does not recognize the national objective under which this particular provision was brought on by its own party 32 years ago. It is not only those on this side of the House who recognize the true objectives of these two programs.

Government Orders

I would like now to quote from an independent source as to the objective of this program to balance against the view presented by the budget papers. The Canadian Tax Foundation in its issue, *The National Finances*, has described the objective of these programs for many years thusly: "Under the Prairie Grain Advance Payments Act, the government makes interest free cash advances to farmers for storing certain grains on their farms".

It should be noted that this program is described as an exchange of advance payment for storage services provided by the producer. Finance is wrong in the budget papers to see it as merely a guarantee of credit. It is an agreement that provides the producer with a payment for contributing to the fulfilment of a national objective and that is the storage of our crops. Yet in the budget papers, we have a government saying: "The interest free aspect is not fundamental to this objective". Clearly it is fundamental to an objective that the government no longer feels is necessary. That objective is quite simply stated as food security.

The government's agriculture policy into which eliminating this interest-free provision fits is one of Canada should not purchase food. That is not the way we see it on this side of the House. Food security means just that, secure access to food. That means we must maintain our reserves and we must recognize that the \$27 million we are currently paying our producers to maintain reserves in this country is cheap at 10 times the cost. We should encourage storage and not punish those producers who maintain those reserves should we ever need them. This government's hidden policy of purchase instead of produce is like attempting to buy fire insurance the day after the fire.

• (1540)

It is vital that we keep this legislation intact, that we understand the purposes for which the interest free provisions were brought in. We accept that they have not changed. We agree that the national objective must remain, and therefore those are some of the reasons why our party is opposing Bill C-36. It is not simply objective for objection's sake. We are putting forth concrete reasons why Bill C-36 should not be considered by this Parliament.

Mr. Ferguson: Mr. Speaker, I commend the hon. member for Scarborough West on his very articulate and excellent address. I want particularly to compliment him on the interest he has shown on behalf of his urban