

Government Orders

If we look at the 1987 crop, for an investment of \$2.61 by the government per tonne, if a grower used this in an orderly marketing system over six months the return to that grower was \$12. That is a big return over six months.

In the year 1987-88, which was a different crop year, it was used again by many producers. I know if it happened in corn it happened in other grains and other crops as well. For an investment of \$2.42 for each tonne of grain, if the grower marketed that nine months later, he got a return of \$57.75. That is a return of 24 fold over a period of nine months. I might say that that is a fantastic investment by the Government of Canada in agriculture.

I could go on with other examples. This program is not only one that has been used by corn growers; this is a program that has been used by fruit and vegetable growers in B.C. It has been used by fruit and vegetable growers in Ontario. It has been used by farmers on the prairies. It has been used by potato farmers in the maritimes and all across Canada.

As well, we must realize the spin-off that comes from the effectiveness of this program. The farmer by using this financial tool is able to hold more of a crop in the bin or more of the product in storage and market it at a better time when he will probably, in most if not all cases, get a better price and therefore have more dollars to put back into circulation.

The spin-offs are spreading to the trucking industry, to grain elevator storage, to fruit and vegetable storages, to cold storages and elsewhere. The spin-off also benefits the farm implement dealers because the farmers, having had this management tool available to them, can build new storages, purchase new granaries, spend that money and keep it in circulation. That is to say nothing of the orderly marketing of these products so that the farmers can market them to the purchasers and make them more readily available throughout the year for all purchasers, whether they be grain or fruit and vegetable products.

Next, will the intent of the bill be attained if interest is charged on the advance? I admit that some farmers will still use it. Basically I feel the effectiveness of the program will be gutted when the farmers are told they are going to have pay interest on this. It has been a financial management tool that has been available to the

producers and has enabled them to repay their spring operating costs before the year was completed.

As we know, most farmers operate on the cash system. When they have been able to borrow that and repay their suppliers in the fall for their fertilizer or seed, they have been able to take advantage of post harvest changes in the prices of their product and reap the benefit. This has been very successful for many but not all producers because every producer does not need to avail himself of every management tool there is, but this has been an effective tool. I state again that it will not be nearly as effective when the whole rule of the game is changed.

I ask the next question: if the government insists on doing so, is it fair to be making this change at this time of year? Farmers made their budgets and did their financial planning last January and February. At that time the old program was in effect. Nothing was said at that time that the rules were going to change part way through the ball game. I am sure many teams would like to do that if they could, but I do not think it is fair ball to do it at this time of year.

It could have been done in June. Admittedly the planning by the producers would have been done at that time as well. In fairness to the producers and the organizations, if the government insists on doing this it should look at the amendment put forward by this side of the House. It should have consultations with the producer organizations in the next month before taking this action.

I do not like to use the word blackmail, but the minister has said unless the new amendments are made the old program will be used after August 1. You either play by the rules or you do not get anything at all. It is not even obeying the law that is present on the books. That is upsetting many people out there.

The harvest is complete, tax planning and budgets have been done, bankers have sat down with their clients and worked this out. Now the farmer is in the position of having to go back to those that are assisting him and financing his program for the year and saying: "Well, I am sorry, the government changed the rules and we are going to have to do this in a different fashion".

Is the Canadian agricultural industry being challenged at the GATT with respect to the old program? I do not believe it is, although it may very well be challenged by producers to the south of us. We know this is one of the things the United States pointed its finger at as far as the so-called level playing field is concerned. We hear those