

Government Orders

now, and if you were going to return to the kind of storage capacity that the commercial system had back in 1957, that new investment would cost more in interest each year than what this \$27 million annually is costing now, and thus we avoid the pressure on the market which keeps the price down.

I can understand why a newly formulated free market oriented Conservative Government like we have had in the last two governments would want to move in this direction. It fits with their philosophy. They want to do things that will assist their friends in the grain trade and that will permit them to get lower priced grain. The government loves to see the market under pressure and farmers being forced to dump their grain and to take less than the cost of production. They love that. I understand why their supporters are all for it. But the farmers are not too intrigued with this idea. They do not think that they should be paying interest on the cash advance. Not only are they opposed to paying interest on it for the reasons that I have outlined, but they look at their international competitive position and they say: "Things are not changing in the United States. If I lived across the line I would be able to have this kind of privilege. Why is our government taking it away from us?"

They look at the Europeans and find the same thing. Why is Canada taking the initiative in this area? Why is Canada doing apparently everything it can to see that agriculture prices are forced down by putting pressure on producers to deliver early and to deliver too much to the market?

Not only does it do that but, as I have said, the forced dumping in many cases with many products means that at the end of the season we are forced to import products as well, which costs the economy of the country. From an economic point of view it makes no sense at all.

The government's arguments have been a real lesson in the modern politics of the Conservative era. They did not tell anyone in the election that this was part of the election program. No one knew that once re-elected this government would take away interest free cash advances. It was not part of the mandate. It was never breathed during the election. The only things we heard from Conservative candidates, including the Prime Minister, were soothing comments about how when farmers need help the government would be behind them and

would always be on the side of the farmer. Why have they abandoned them now?

Prior notice is extremely important in a seasonal business like agriculture where decisions have to be made almost a year in advance. There was no prior notice until the delayed budget of April 27, the first in the history of the country during a sitting Parliament where a government came in to present a budget after the old fiscal year had ended. Virtually all of the farmers had been to their banks to arrange their credit for the summer. Their banks had no idea that there would not be a cash advance program sitting there waiting for them in the fall. The banks looked at their situation and decided how much they would lend them for the summer based on the secure knowledge that there would be a cash advance system available in the fall and the bank would have its money back within six months. Then the budget came.

That did not scare anyone very much in the banking community because there was not any immediate action. In fact, it was three months later, on June 26, that the government and the Minister of Agriculture and Deputy Prime Minister introduced Bill C-32 which outlined the method whereby the government was going to introduce this policy. It became fairly clear at that stage that there would not be any interest free cash advances in the fall.

But the government did not pursue the bill. There were only two days debate in the House before it recessed for the summer. The government decided to make the recess one month longer than normal. When we did come back the new crop year for those in the Wheat Board area had been in effect since August 1, and here we were back in session at the end of September. At that point in time the government decided to withdraw C-32.

When news of that filtered out the day before it was to be withdrawn, there were cheers in the farm community saying that at last the government had good sense, they realized that they were wrong, they are going to listen to the many farm groups and the advisory committee of the Wheat Board, the NFU and so on—

Is it not a 20-minute speech, Mr. Speaker?

Mr. Deputy Speaker: I will have to cut you off in 30 seconds for Question Period. You may continue afterwards.