

Government Orders

Look at how the government decreased by \$6 million the funding for assistance to the tobacco industry. As I said, it pulled money out of the tobacco industry, and this after the Minister of Agriculture came into my riding and promised tobacco farmers that he would support them.

Similar cuts were made in funding for crop insurance, branch line rehabilitation, dairy export subsidies, the Canadian Dairy Commission, and the AT and East Grain and Flour Subsidy Program. These have all been cut by this government, all vital programs for farmers, programs that farmers expected.

This government chips away at programs until they are no longer viable or economically accessible. Then the government blames farmers for not using the program. It says, "It is no longer needed. Farmers no longer use it". Well this, Mr. Speaker, is after the government has completely gutted the whole basis of the program. Then when farmers do not use the program because it is not worth their while, Well, that is sneaky. I call that dishonest.

Now to go back to the elimination of the interest-free portion of the advance payments program, what is the purpose of the program? Well, it serves as a bridge to farmers who experience cash flow problems while waiting for the opportunity to market their products in an orderly fashion. Coming from Ontario, I am interested in how this proposed legislation will affect our farmers. I have asked farmers throughout Ontario, and it has been estimated by the Ontario Federation of Agriculture that this measure alone will cost Ontario farmers \$3.3 million in the current crop year. This will be felt mostly by corn producers, tobacco producers and soybean producers.

The Ontario figures for the crop year of 1987-88 show that almost \$100 million in cash advances to farmers could be affected by this change. How will it affect other sectors? Tobacco, soybean and corn producers account for 98 per cent of all advances. Tobacco producers alone receive \$52 million. So, as you can see, this is no small amount for farmers in my area.

As indicated previously, the valued interest benefit to Ontario farmers was more than \$3.3 million. The breakdown by sectors shows that tobacco and corn farmers each received approximately 34 per cent of the interest benefit. Soybean producers receive 27 per cent of the interest benefit. Without a doubt, this program has been beneficial to farming in Ontario.

Naturally, you would think that a responsible government on the other side would keep the program and that a responsible government would consult with farmers prior to making changes to the program. Well, this did not happen. Without consulting, without even asking farmers how it would affect them, without even studying how it would affect farmers, the government has brought in changes to this program which will adversely affect their way of life.

This government does not believe in consultation or seeking advice from different interested parties prior to bringing in legislation. We have seen this in other areas, especially in the areas of VIA Rail cuts and clawbacks to senior citizens. Where was the government's commitment to talk to the people prior to bringing in any legislation?

On VIA Rail it makes the cuts and then it says it will have a royal commission on them. As you very well know, that is not the proper way of dealing with major changes to government policy. Quite frankly, the Canadian people are not prepared to take it.

These are not little organizations that are being affected. The Ontario Corn Producers Association represents over 25,000 Ontario corn producers. I would like to briefly outline why they oppose the changes to this program. The program has proven to be a major benefit in shifting corn sales from the autumn until later in the marketing year, thereby reducing the extent of export sales in autumn and shortage-induced imports during the later months. The net result has been financial benefits to producers, domestic users and commercial elevator operators; total benefits which far exceed the cost to the government.

The advance payments program has also been of great benefit to growers who store their soybeans on the farm at harvest and market them at premium prices throughout the marketing year to domestic processors and into the value-added export and domestic markets for seed, feed and food uses.

These organizations and many others believe that the elimination of interest-free provisions would effectively destroy the program. While the federal guarantee under this program would allow them to borrow money at or slightly below prime, administration charges would mean an effective cost to producers well above the prime. In other words, it is completely useless to them. In the end it will cost them more to borrow money than had they just gone out on the regular market to borrow it. There is no advantage over the commercial sources of credit. It still might prove attractive to those who are high credit risks, but this is not the purpose of the program.