

*Government Orders*

Why? Well, among other reasons, the Pools say: "The interest-free advances encourage orderly marketing.

In my own province, the Ontario Corn Producers Association, in referring to the predecessor of this bill, called upon the Minister of Agriculture not to pass it in its present form. They state that: "Elimination of the interest free provision will effectively destroy the program and result in an ineffectual program with minimal participation".

• (1530 )

Going to the other end of the country, the British Columbia Vegetable Marketing Commission asks that the proposed elimination of the interest free portion be reversed. Finally, the Saskatchewan Canola Growers Association is concerned and says that the program has been run to date at very little cost to the government or producers. It seems that looking at these various organizations and groups Canada-wide that are involved with agriculture on a daily basis, there is a clear consensus that the removal of the interest free provision should be reversed. How did that happen? What is the history behind this?

We know that in 1957 the Prairie Grains Advance Payments Act was introduced by another Conservative government, the Diefenbaker government, by the then Minister of Trade and Commerce, the Hon. Gordon Churchill. Thirty-two years later we are having that reversed. It seems the government has chosen to ignore the rationale behind the program and the integral role that the interest free payments play in the program's success. This is because the government has represented the program in the budget papers describing the program thus: "The objective of the program is to ensure that producers can obtain cash in advance from lenders on the strength of their marketable crops." This was not the objective of the program. This was one of the means by which the objectives of the program were to be met. Integral to meeting the objective was also the interest free provision of the Act.

The objective then, 32 years ago, as it should be now, was to encourage on-farm storage of produce. The program resulted from a recognition that the commercial storage capacity of the country was far less than the productive capabilities of the country. As Mr. Churchill,

32 years ago, clearly stated, "The legislation is necessary because of the large surplus of wheat."

Imagine the consequences if Canada failed to maintain adequate reserves and we suffered a crop failure in this country. If we had insufficient reserves, we could very well lose important markets for our produce for many years to come. We saw with last year's drought how quickly foreign countries rushed forward with their reserves to take advantage of our shortfall. Further, imagine if the world suffers crop failure, not in one but perhaps two or more years in a row. Imagine the consequences in terms of food security that could result if we have insufficient reserves.

It is a well-known fact that elevator companies have reduced their commercial storage capacity in the last 10 years and have increased through-put. We are now more dependent on our producers to maintain our reserves than in 1957. Yet now the government does not even want to recognize the true historical objective of the program, let alone the very real necessity for it.

According to *Grain Matters*, storage capacity in Canada is limited to only half of our annual exports of grains and oilseeds. Conversely, the United States of America, Argentina and Australia all have greater storage capabilities than their annual exports. These interest free advance payments are means to encourage storage to attempt to ensure Canada remains on equal ground with our competitors.

During the free trade agreement debate we heard time and time again from the government of the necessity of developing a level playing field with the United States in order to be competitive. Although the deal fails in substance to do that in our view, the objective was valid.

Now, with the goods and services tax, we are hearing the same argument advanced; that Canadian industry needs the goods and services tax to be on a level playing field with the world. I ask what of a level playing field with the world in the agricultural industry.

Instead of scrapping the interest free provision which will scrap the historical intent of the legislation, this government, if it were serious in promoting the Canadian agricultural trade and in ensuring food security, would be introducing legislation to increase not diminish our storage reserves. Do we need to go through the crisis of 1957 again to see the necessity of this provision of the program? Should we wait until those countries which maintain reserves steal our markets before ensuring our