

Government Orders

These are the facts. There was no consultation with farmers. The program cut was scheduled. We were told to accept a program which is clearly second best.

The government admitted responsibility for the elimination of the tobacco industry, therefore, the Redux program. Maybe it should also accept the responsibility for the eventual elimination of the agricultural industry entirely.

By strangling farmers financially this government is pushing out the small, successful, proud family farms for which generations have operated across this country. What, in fact, does this government want, corporate farming? It certainly would seem to be where it is heading. Surely this government will change its agenda. I know the Canadian voters are sure to change it for them when the opportunity arises. Hopefully, by then, it will not be too late to salvage what is left in Canadian agriculture.

I plead with the government to reconsider and withdraw Bill C-36. Reinstate the interest-free aspect of the Advance Payments for Crops Act. Please put agriculture back in its proper place in this nation.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise in debate on Bill C-36 which is the second attempt by the government to make the interest free cash advance program disappear.

For years we have been listening to Conservative politicians praise themselves and pat themselves on the back for having introduced the concept of interest free cash advances. It was something that was suggested and demanded by farm organizations for many years in advance of that. But, in 1957, the government of John Diefenbaker introduced interest free cash advances in the west. Later on, the hon. Eugene Whelan who was the Minister of Agriculture introduced the same concept for the rest of Canada and for other commodities.

The system worked well. The government and the people of Canada got good money for their relatively small investment. Even now, when inflation and high interest rates have carried the cost of the program up, the Minister of Finance estimated that it would cost in the neighbourhood of only \$27 million this year.

• (1050)

When one looks at the cost savings that were achieved from those cash advances, one can readily see that it was a very good investment on an annual basis. It took away the incentive for farmers to plug the elevator system and the transportation system in order to get money. By being able to get a cash advance on the grain that was stored on their farms, farmers could pay their operating costs and continue to get through the winter. That is very important in a country like ours where the water transportation freezes up.

If you are a Manitoba farmer, once the Lakehead freezes in December no grain moves. Farmers cannot sell grain. They sit on it at their farms and yet, unfortunately, the expenses that those people have continue over the winter. They still have to eat. They still have to keep their buildings warm. They still have to make repairs to their equipment. The costs go on but there is no chance of income once winter sets in.

Similarly, in other areas of the country where different commodities are being raised, as in the fruit and vegetable area, lack of interest free cash advances will simply mean that they will return to the bad old days when they tended to deliver their produce early. When farmers deliver their produce early, they tend to depress the market. Because they depress the market they have to deliver even more produce in order to get the necessary dollars to pay their expenses, and before they are finished, instead of spreading the deliveries of things like rutabagas and turnips over 11 or 12 months, they are all out of product some time in February, March or early April, and the country has to depend on imports in order to make up the difference. So it is very costly for the country to do that. We think that for \$27 million the continuation of an interest free cash advance makes ultimate sense.

In western Canada, in large part due to the interest free cash advance program the commercial elevator system was pared down. We did not need as much commercial storage if there was no incentive for farmers to get it into the commercial system. As long as they could keep their finances in order, they would store it at home. The farmer has already had to pay for storage at home. Most of the commercial elevator system in western Canada at least is co-operatively owned so the farmers own it twice. They were able to reduce their investment in the commercial system by some 40 per cent. If you look at the cost of building new elevators