

Government Orders

My colleagues from Algoma, Lambton—Middlesex, Winnipeg—St. James, Prince Edward—Hastings and others have outlined the Liberal Party's position on this bill in a most competent and eloquent manner. I want to add to their commentary in a specific reference to Atlantic Canada.

In 1977, the Advance Payments for Crops Act was passed because of the excellent experience with the original act. The government extended the same basic considerations to root crops, some field-grown crops, honey and maple syrup.

This legislation, Bill C-36, which removes the interest free provision from advance payments, strikes at the very heart of the single most important agricultural crop in Atlantic Canada and that is potatoes. In the province of Prince Edward Island the National Farmers Union, the Federation of Agriculture, the Potato Producers Association of P.E.I. and the P.E.I. Potato Marketing Commission have unanimously condemned this bill. I would like to put on record some of the sentiments expressed by these organizations. I quote:

The now-defunct interest free cash advance programs served a vital function. The program, in place for many years, was useful not only to producers but also to marketing agencies. Many producers depended on that system for cash flow during the harvest season. In some cases it was their only source of cash flow.

This is from Art Macklin, vice-president of the National Farmers Union. From a letter to the Prime Minister from the P.E.I. Potato Marketing Commission:

Prince Edward Island potato producers are extremely disappointed and upset at your budget announcement that the Advanced Payments for Crops Act is to be amended to remove the interest-free provision. If this amendment is introduced, it will basically destroy this valuable program at a time when it is needed most. This is a serious setback to P.E.I. potato farmers and will cause real hardship this fall for potato growers facing high interest rates.

The no interest advance payments program has been extremely valuable in encouraging producers to market their crop in an orderly manner over the marketing season rather than being forced to sell early after harvest in the fall.

• (1230)

What is being proposed will have a serious destabilizing effect on the fall potato market at a time when Canada's potato industry, with the support of the federal

Minister of Agriculture, is working hard at improving the present system of orderly marketing of potatoes. This is from Lloyd Palmer, the chairman of the commission.

In addition, a letter to me from the Potato Producers Association of P.E.I. states:

Our organization was shocked and infuriated by the federal Minister of Finance's announcement to remove the interest free provision from the Advance Payments for Crops Act.

The Potato Producers Association of Prince Edward Island finds the proposed amendments totally unacceptable and request you, as members of Parliament, to support all agricultural organizations in their request to have the proposed amendments revoked.

Peter Van Nieuwenhuyen, President.

A letter to me from the Federation of Agriculture, Mr. Speaker, reads:

I am sure you are aware of the importance of the potato industry to our province. However, you may not know that 40 per cent of our potato growers have been using the advance payments program. That accounted, this year, for \$6.5 million in interest free advance payments to our potato growers.

The change recommended by Mr. Wilson in the budget will do little to cut the national debt but on the other hand will cause great hardship for our potato growers and others, especially when today's rising interest rates are considered.

The P.E.I. Federation of Agriculture is in favour of all Canadians working together to cut the country's debt, but we need a realistic approach rather than actions which harm our basic producers without helping the economy in any major way.

That is from Gary Heaney, president of the federation.

The evidence is overwhelming. The agricultural community objects in a most serious fashion to the removal of the interest free feature in the Advance Payments for Crops Act. Many farmers in this country are already having a very tough time, a time made tougher by the provisions of the free trade agreement. Why does this government want to introduce legislation to increase these hardships?

Mr. Ferguson: Mr. Speaker, I was listening with interest to my colleague's comments on Bill C-36. I listened with particular interest to the fact that the producers in Prince Edward Island want this bill withdrawn, the same as the producers in western Canada. The 17 organizations that met in Winnipeg again last Monday morning all called on the Prime Minister to have this piece of legislation withdrawn because the agreement should have been signed with the producer