

Advance Payments

spokesman for the Canadian Wheat Board wrote a letter to the Minister in charge of the Canadian Wheat Board in the other place, requesting that he give serious consideration to the kind of amendments that we have before us right now. It is interesting to note that he stated at that time, speaking on behalf of the Conservative Party, that we would support that kind of initiative and also grant speedy passage.

The Senator from the other place responded on July 5, 1982, and said:

I can affirm that I am in general agreement with suggestions that the ceiling on cash advances be increased, and that the matter is receiving active consideration.

Some active consideration! It is almost two years later and now the Bill is before the House. He went on to say:

You have presented sound arguments in support of such an adjustment and there are also other practical considerations that will be brought to bear in arriving at a decision on the matter.

It has taken too long. We have been continually raising this issue on the floor of the House of Commons. The Hon. Member from Drumheller has been pushing for this. It is the subject matter of a Private Member's Bill, Bill C-218. Literally every day when we talk about the plight of the agricultural industry, particularly the western agricultural industry, we have been raising this issue.

Our Party came out with a ten-point agricultural program a year ago. Among other things, we called for the doubling of the cash advances. We recognized the difficulties in the agricultural sector throughout Canada. Our first point was to advocate some interest rate relief for farmers who were caught in that period of high interest rates and were unable to bail themselves out or arrange their affairs in such a way as to take advantage of the reduction in interest rates. We were asking for at least \$100 million to provide some relief and amelioration from the impact of high interest rates.

We called for the establishment of an agri-bond. We called for Farm Finance Review Boards. The Hon. Member for Yorkton-Melville (Mr. Nystrom) is correct in pointing out that literally every day there are farmers going bankrupt. Every weekend when we go home, we are faced with the prospect of a visit from farmers who are caught in a bind. There was a postponement of any action by the banks but now they are moving in and the crunch is coming. It has been very difficult. In many respects they have no one to turn to, so we were suggesting the establishment of a Farm Finance Review Board which would act as a negotiator or referee to help them out of their difficulties.

We talked about the reduction of fuel taxes. Again, we see a clear example of the hypocrisy of the NDP who talk out of both sides of their mouth. They were the great supporters of the Liberal National Energy Program and of the pricing arrangements. They bought it hook, line and sinker. Now they are saying that it is not very good for farmers. We have always advocated the removal of at least the sales tax on farm fuels. We also said a year ago that the initial grain prices should remain the same. We said that the Western Grain Stabilization Act should be modified so that it could trigger an

immediate pay-out. At that time I believe there was between \$750 million and \$800 million available.

We called for a national income stabilization program for the red meat industry. We also asked for revisions to Section 31 of the Income Tax Act through which Revenue Canada again was taking advantage of its clout and intimidating acts to hurt those farmers who found that they had to gain employment outside of their farm operations in order to sustain their operations.

We also called for the dual labelling of farm chemicals and fertilizers because that is still a very sore point with the average farmer.

Our criticism is that the Government, as has been alluded to by both previous speakers, has not considered agriculture to be in the forefront as it deserves. While we talk about getting this country rolling again, we sometimes fail to take cognizance of an industry that is very important. Agriculture in Canada is a \$19 billion annual megaproject. Statistics shows that approximately 55 per cent of that agricultural activity is generated in western Canada. In terms of exports, we export \$10 billion worth of agricultural products. Since it is so dependent on exports, the agricultural industry is very vulnerable. It is very vulnerable to inside and outside forces. It must be competitive. Therefore, transportation breakdowns, markets, prices and quotas all have a major effect. There must be some provision to ensure that there is continual stability. That is the purpose of this Bill.

If we consider the agri-food industry in total, it accounts for approximately 18 per cent of the total labour force, albeit that maybe 4 per cent or 5 per cent represents actively engaged farmers. Furthermore, there are tremendous spin-offs. Again, the Member for Yorkton-Melville alluded to the fact that farmers spend approximately \$2 billion a year on farm machinery and the purchase of parts. They spend about \$1.3 billion on the purchase of energy and approximately \$1.1 billion or \$1.2 billion for fertilizer. These are big dollar items which cause tremendous reverberations throughout the economy.

It has been said that for every dollar generated in agriculture, another \$4 is generated throughout the economy. This is a very important sector that is experiencing serious difficulty right now, notwithstanding the fact that it stood up very well during the recession. While the rest of the economy is recovering, agriculture is now feeling the full brunt. There was some postponement of debts and some debt consolidation, but the chickens are coming home to roost. Farmers need some consideration and help right now. That is why bankruptcies and other difficulties are occurring. I would say that there are at least two dozen farmers in my immediate area who are on the verge of going bankrupt. Not only young or inexperienced people are going bankrupt, it is occurring across the board. These people are caught in the squeeze of low commodity prices, high fuel prices, high fertilizer prices and high interest rates. It has been disastrous for them. Their net incomes have dropped by 30 per cent since 1978.