

This is what the hon. member for Prince Edward—Hastings was referring to when he said that the farmers of our country are becoming depressed. They do not know what will be hitting them next.

The potato farmer in Prince Edward Island will be especially hurt because of the fuel tax rebate cuts. Potato farming is, by its nature, a crop which uses considerable amounts of fuel when compared to the farming of other crops. Potato farmers are required to extensively use their farm tractors in the planting, cultivation, spraying and digging of their crops which necessitates the consumption of large amounts of fuel.

The cutting of the fuel tax rebate program will add thousands of dollars to potato farmers' cost of production. In just one instance, for the potato farmer who grows 300 acres of potatoes, it will cost him \$10,000 more to plant and harvest his crop than it did previously.

The Farm Credit Corporation will no longer be giving commodity-based loans. We will have a situation where the U.S. government is providing its farmers with 6 per cent loans while our loan rate is from 12 to 12.75 per cent with the removal of commodity based loans. This is what our government calls a level playing field. Instead of trying to make our farmers more competitive we are making sure that they will not be as competitive.

Despite statements by this government our dairy industry with its marketing board structure is in considerable jeopardy. The first signs were this government's agreement to place a cap on the input costs for a period of 24 months. Then, in addition, there are budget cuts to the dairy export program and the Canadian Dairy Commission.

Canada finds itself in a great deal of difficulty with the preliminary GATT ruling on yogurt and ice cream. GATT nations respect bilateral agreements like the one we have signed with the United States. They usually adopt the recommendations made by their panels. Now Canada finds itself in a tight spot. The U.S. will have access to the Canadian market for its yogurt and ice cream while the U.S. will not allow Canada or any other country to export dairy products into its country by virtue of a law passed in defiance of a GATT ruling in 1954 which allowed other countries to export dairy products into the U.S.

### *Government Orders*

What a mess we are making for ourselves in order to be liked by our neighbours. The government is saying that if agriculture cannot make a profit in a market-driven economy, then it has to be sacrificed. This notion is evident with the changes to the Advanced Payments for Crop Act.

The Prairie Grain Advanced Payments Act came into being in 1957-58, over 30 years ago. Why was this act passed? Obviously, the government at the time, and we all know its political persuasion, felt there was a compelling need to assist farmers, especially western farmers, in meeting some of the cash flow problems. The government of the day also saw the need to control and/or regulate the supply of grains. It wanted to eliminate the situation where there was a large glut every fall, a glut which had the effect of dramatically lowering the price to the farmer.

The Prairie Grain Advanced Payments Act resolved both these problems. By allowing the farmer to receive an interest-free advance payment, this act encouraged the farmer to withhold deliverable grains until later in the year when he could then receive a much better price for his product than he would have had he been forced to dump it in the fall.

The farmer did receive a two-fold benefit. His interest free advance allowed him to meet his cash-flow needs and he received a better price for his product. For many farmers these two factors turned a marginal operation into a viable one.

If this interest free incentive is lost we will be reverting to an intolerable situation. A farmer in Canada does not need special legislation in order to go to a commercial financial institution to borrow money and pay the excessively high current interest rates. He can do that at present on his own with his crop for collateral.

I would like to ask who will provide this extra storage space which will be required when the even flow of grain has been disrupted. Who will pay that? If the Department of Agriculture responds in the same vein as the Department of National Defence does in similar situations, the answer will be, "that is not our responsibility. We just cause these problems, it is someone else's job to resolve them". If you want evidence of this just examine the ongoing saga in Summerside.