

Adjournment Debate

program was very necessary and this year the government was forced to recognize that we were correct.

The government's mistake on this matter has not been adequately corrected, however. The minister's announcement makes reference to the reinstatement of the interest-free cash advance for this year only. If this year's conditions on the Prairies are duplicated next year or the year after, we will have to argue again and again, year by year, for the interest-free program which has served the agricultural community well since the 1950s.

Last year's legislation should be immediately rescinded and the interest-free cash advance program permanently reinstated. This past week, I visited a number of elevator agents, bank managers, credit union managers, and farmers and I have found that the most contentious question remaining this year is that the program requires cheques to be issued jointly to the farmer and the financial institution. I would like the government to consider issuing the cheque to the farmer and leave to his discretion which bills get paid and when, under the cash advance. The big banks and the government are working too closely together on the issuance of these funds.

Our agricultural sector is much too important to be left to the whim of the politicians. There must be some stability brought to agricultural financing. As long as prices remain low and interest rates and fuel prices can rise unchecked, Canadian food producers must have some protection, some security.

I ask the Minister of Agriculture to recognize that even though the interest-free cash advance is only a small program in the whole system, it is important enough to be a permanent part of our support mechanism. I ask that he take the next step and reinstate the program, permanently.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as it has been indicated, on October 13, the Minister of Agriculture did announce measures to assist cash-strapped farmers. Those are in the interest-free cash advances which are now available on undelivered grain.

We know that farmers can now receive, if they qualify for interest-free advances, up to \$50,000 through this one-year program. I want to make sure that everyone

understands that it is a one-year program. That decision was arrived at in consultation with working groups as to the need and the way to best provide that program. This program will be administered through the Prairie Grain Advance Payments Act and the Advance Payments for Crops Act. All crops covered by these two programs are eligible for the interest-free advances.

• (1800)

It is estimated it will cost the treasury about \$95 million in interest relief in 1990 alone. This is a short-term measure to answer an immediate need. We know that \$95 million is a lot of money, especially now when we are strapped for funds in this country.

It does not address the long-term needs. That is why it has to be a one-year program, because as everyone in this House knows, and anyone who has any connection to agriculture knows, we are working on a longer-term program such as the safety nets that we started over a year ago with the committee. The committees are made up of producers and organizations from across the country and are to come up with a long-term program so that we will not need interest-free advances such as we do right now. The government has responded to the needs at the present time.

We hope that we can have some of these programs in place, such as GRIP and NISA, for the 1991-92 crop year. If governments agree, federal and provincial, this new safety net could provide benefits to Canadian grains and oilseeds farmers next year. This would give them the stability necessary to plan their financial future much better.

These are the two programs we are working on, the net income stabilization account, or NISA, and the Gross Revenue Insurance Plan, or GRIP. NISA would enable farmers to set money aside in good years in an individual trust account, their own personal account.

GRIP is a combination of yield protection and price support. The two programs will benefit agriculture greatly. We have seen the needs over the last few years and have continued to stand by our farmers. I want to make that very, very clear. The Special Canadian Grains Program, the Canadian Crop Drought Assistance Program, and this spring a commitment of about \$450 million to Canadian grain farmers are an example of the