The National Farmers Union wrote in mid August that a cash advance program is urgently needed for the 1989-90 crop year since farmers need cash flow now to pay their bills.

The prairie pools say that the changes will hurt orderly marketing and undermine the Canadian Wheat Board because it will be more difficult to manage deliveries.

Manitoba's Keystone Agriculture Producers noted a very special situation. It said that the elimination of the interest free provision under both acts would be particularly onerous for grains and oilseeds producers in Manitoba who are virtually obliged to ship their commodities through the port at Thunder Bay. Because that port is closed during the winter months, in contrast to Vancouver and Prince Rupert, many farmers in Manitoba sit all winter with little or no opportunity to market grain, resulting in turn in their having little income with which to pay their bills and support the economies of their local communities.

Certainly I would expect that there are a fair number of government members representing Manitoba farmers. I would hope that they had drawn this very directly to the attention of the Minister of Agriculture and the Minister of State for Grains and Oilseeds who, ironically, is himself a farmer in Manitoba and should know very well what the effect would be on Manitoba.

The letter that I found most interesting, however, dated August 2 and arrived by fax, is addressed to the Prime Minister of Canada and reads:

Dear Mr. Prime Minister,

At a national meeting held in Winnipeg this morning, 19 Canadian grain and oilseed producer organizations were unanimous in calling on your government to withdraw Bill C-36, and to re-institute the two previous acts, which provided for interest-free cash advances, for crops grown in Canada.

In our view, Bill C-36 will destroy the value of the Cash Advance Programs.

Your federal Minister of Agriculture, Mr. Mazankowski, has initiated a major review of agriculture policy in Canada, of which marketing is one aspect. We feel the Cash Advance Programs should be part of this review.

It is urgent to reinstate the 1988/89 Cash Advance Programs, and to allow the farm community with the federal minister, through the policy review process, to design the appropriate marketing systems to ensure equity in the system.

Yours truly,
Roy Cusitar
Meeting Chairman

The interesting thing about this letter is not so much what it says but who signed it. People who have followed the agriculture debate over the years know that there is in some respect a bit of a polarization within the farm community between those who favour the orderly marketing approach, the pooling kind of approach, and those who prefer a more of a free open market kind of approach to agriculture. That tension has been very clear in debates like that on the Crow rate and so on.

This particular letter is signed by groups like the Western Canadian Wheat Growers Association, Western Barley Growers Association, Alberta Pulse Growers Association, Focus on Inputs, Prairie Canola Growers Council, Manitoba Canola Growers Association, Saskatchewan Canola Growers Association, Alberta Soft Wheat Grain Association, United Grain Growers, Flax Council of Canada, Atlantic Grains Council, Ontario Corn Producers Association, Manitoba Pulse Growers Association and Western Canada Pulse Growers Association.

What those who follow this debate closely will recognize immediately is that most of the signatures on this particular letter are from people who have historically supported an opening up of free market forces within agriculture. A good number of those groups in fact even supported the free trade initiatives, although there were groups that had misgivings, including the federations of agriculture, the pools and so on. The majority of signators to this particular letter were in favour of the free trade deal and thought it would be a good deal for agriculture. This is the government's very own friends that it is turning its back on.

I would also like to comment briefly on the effect on individual farmers. When a farmer puts in a crop, that is largely done with borrowed money. Today's input costs are so high that there is no way that the vast majority of farmers have the cash on hand in spring when the crop goes in to pay for those input costs, so that crop is put in on credit. What has traditionally happened is that when the crop came off in September, October or November, in the fall, the farmer was then able to take an interest free cash advance, pay those debts and thus be rid of the interest charges on those debts through the rest of the year and, in fact, could manage a cash flow so that the planning process for the next spring could begin again.