

*Farm Loans Interest Rebate Act*

Hon. Member used when quoting, I believe, from the Canadian Federation of Agriculture. We say that with that Program we will probably help approximately 2,000 farmers.

When we break down the numbers of those who received loans into regions, it is interesting to see where those farmers are. The number of farmers in British Columbia who received these loans was 23. The amount of the loans was \$5.3 million. I am surprised that there would be farmers in Alberta applying for a Farm Credit Corporation loan.

**Mr. Paproski:** Why?

**Mr. Whelan:** I thought they had many different programs there. They have about five different programs in Alberta that provide funds for farmers. Most of the other Provinces cannot even afford to have one of those programs. There were 42 farmers in Alberta who borrowed \$9.3 million. In Saskatchewan 72 farmers borrowed \$11.4 million. In Manitoba 50 farmers borrowed \$6.7 million. In Ontario 237 farmers borrowed \$32.5 million. In Quebec 105 farmers borrowed \$12.3 million. In the Atlantic region, including all four Provinces, 25 farmers borrowed \$2.7 million. The money which has been loaned does not include pending applications.

The breakdown according to enterprise type indicates that on a national basis beef and swine producers have received the biggest share of the funds available. It is that area which is probably the most disorganized of all agriculture in Canada because those producers depend on someone to pay them a fair price for the product that they deliver to the marketplace. Sometimes they wait as long as two weeks to see what they will receive for their product, especially when marketing beef.

We can see what the United States is doing at the present time because of the scare they have over the amount of beef being exported to their country. This meat is being exported mainly by Australia because it had an extra slaughter-kill due to the heavy droughts in that country. That great free marketing system to the south decided to impose a meat import law to stop bringing that slaughter-carcass, broken beef into their country. We were not over our quota but Australia was. The United States decided it would treat all countries in the same fashion, but we were able to negotiate and instead of the quota we would have been given if we were treated similarly to Australia and other countries, with a quota of 101 million pounds, we were allowed to export 120.1 million pounds of beef to the United States. If we had not been able to negotiate that quota we would have been stopped from exporting beef to the United States some time in July or early August, I believe.

So when anyone says that the North American market belongs to us, tell them that they are kidding themselves, because that is what they are doing. The United States is becoming one of the most protected nations in the world. There are approximately 25 bills before Congress presently in the form of protective legislation to attempt to protect their producers of every kind of product imaginable. This is happening in that great, free trading nation to the south, which so many people think it is.

A Bill of this nature is not new. In the November 12, 1981 budget the then Minister of Finance announced a similar special program to assist farmers in financial distress. It provided a five percentage point rebate. Similar legislation to this Bill came into force in April, 1982 for the November 12, 1982 special program which terminated on March 31, 1982. There was strong demand for the program, as the statistics indicate. From November 12, 1981, to March 31, 1982, 382 loans totalling \$45,417 million were approved. Interest rebates on these loans over a two-year period will total about \$4.6 million. The total in the two-year period is approximately \$16 million in interest rebates.

I urge Hon. Members to support this Bill which will be instrumental in assisting so many Canadian farmers through these difficult times. Most agriculture producers are at the mercy of the marketplace for their incomes. The price received for their production does not correspond with their costs, and in recent times costs have outstripped earnings for a significant number of our farmers. I firmly believe that most of these producers can survive and contribute to the economy if they are given a chance to recover. This interest subsidy for a two-year period provides that breathing room. Agriculture is essential for a healthy economy, and if our economy is to strengthen, so must agriculture.

I want to conclude by pointing out that the number of accounts with the FCC total 75,770 Canadian farmers out of 320,000 farmers. The total number of farmers in default at the present time is approximately 11 per cent. The total amount of loans to all farmers in Canada is close to \$4 billion. The amount of money issued under regular loans this year is \$252.3 million to date. As I indicated earlier, about \$85 million is under the special Farm Financial Assistance Program. We estimate that we will have loaned about \$700 million by the time this fiscal year ends. We have made plans and have received applications already, and while we have had several offers, we have not accepted them because we do not think the rates are what we should receive on the American money market. There has been a tender form for approximately \$129 million. I am going by memory as to what that figure is.

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Average assets of borrowers this year increased by about \$368,000. The average loan this year under the regular loans program amounted to \$92,400. The average loan issued under the special loans program was \$135,000.

Those are just some of the figures that we are using, but we hope that we can use the system to which the Hon. Member referred and which we have discussed, the agribond system. We are still working on it; it has not come through as quickly as I would like to see it. Some of the financial institutions have very strong reservations about it, including the credit unions who say that we would take too much money from their operations. They have expressed strong concern about our proposal for a special system which would allow people to invest with a smaller return on interest by paying no tax on it,