

pilot project review boards in southwestern Ontario. Also the Minister mentioned previously that he lowered the FCC interest rate from 15 per cent to 14 per cent on a 20-year loan.

We are talking about the kinds of promises which the Tories made in the last election campaign. I should like to refer to their campaign material, particularly the document issued by the then Leader of the Opposition on July 5 in Prince Albert. It indicated that since many producers found their economic viability threatened as a result of being locked into long-term, high-interest rate loans, they would immediately allocate the necessary funding to assist producers in refinancing their loans at prevailing rates. When will the Government introduce that legislation? It is very clear. It indicated that it would reduce Farm Credit loans and all farm loans and immediately allocate adequate funding to refinance outstanding loans to current day prevailing rates. They have not done that. They have not brought in legislation. There is nothing on the Order Paper today from the Minister of Agriculture to implement that campaign promise, or any other one.

I asked the Minister whether he would consider putting in place a program tailored to Canadian needs, Canadian resources and so on, such as the one in the United States. Its set aside program provides a set-aside under farmers' home administration loans of up to 25 per cent for up to a five-year period and, for bank loans, where the bank will forgo up to 10 per cent, it will provide a 90 per cent loan guarantee on the balance. I asked him whether the Government would implement such a program to suit Canadian needs. It was done in the United States over two months ago. The Minister displayed his lack of information by saying that the program was only proposed and was not in operation. In fact, it was approved by the U.S. administration on September 18 and has been the law of that land ever since.

The key point is that we have some 39,000 farm families across the country who are facing very serious financial crises. The FCC estimates that some 1,700 of these families are actually facing financial collapse because of the farm financing situation due to low commodity prices, to high input costs, which are gradually rising, including interest rates, and to falling land values. Many farmers who were in very good positions only four or five years ago are now faced with practically no equity at all. Some 1,700 of them are actually facing farm bankruptcy.

● (1815)

We are asking the Minister to come forward and implement the policies which he promised in the election campaign, or implement other programs, not to talk about farm credit review boards as though that would have a tremendous impact on assisting the hard pressed farmers.

Last week before the standing committee it was estimated that farm debt had increased from \$5 billion a couple of years ago to approximately \$19 billion at this time. The crisis relates to our youngest farmers, our most productive farmers, who produce at least half of our farm products.

#### *Adjournment Debate*

I hope the Parliamentary Secretary will indicate that the Minister is going to take some concrete and effective steps to help resolve the farm debt crisis facing this country today.

[*Translation*]

**Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture):** Mr. Speaker, it is for me a pleasure to answer that question because I think our Government is doing a very good job for the farmers. Since the present problems faced by farmers result from disastrous economic policies implemented by the previous Government, the Hon. Member for Algoma (Mr. Foster) should realize it will take more than two months to repair mistakes made by the previous administration over a twenty-year period. Obviously, it is impossible and even unthinkable to lower suddenly the interest rates, even though I agree they are too high.

However, Mr. Speaker, last week the Minister of Agriculture (Mr. Wise) made two very important announcements for Canadian farmers. First, interest rates charged by the Farm Credit Corporation have dropped drastically. Since December 10th, the interest on loans approved under the Farm Credit Act has decreased. Presently, the interest rate is 13.25 per cent for 5-year loans, 13¾ per cent for 10-year loans and 14 per cent for 20-year loans. Even if 1 per cent seems to be a relatively small reduction, the consequences will be far-reaching because these loans amount to hundreds of millions or even hundreds of billions of dollars. In fact, this represents a ¼ of 1 per cent reduction depending on the loan duration. Besides, the interest rate charged under the Farm Syndicates Credit Act dropped as well to 13¼ from 13¾.

The Hon. Member should also be pleased by the second announcement made by the Hon. Minister of Agriculture. He is wondering about what will happen after January 15 to farms which benefited from an interruption in the Farm Credit Corporation's collection procedures. Moreover, it is interesting to note that it is only recently that members from the previous government have been expressing concerns about agricultural producers. Before that, they were not concerned about this situation.

Mr. Speaker, the Minister has asked, the Farm Credit Corporation to expand the mandate of its appeal boards, in order for them to review the cases in which it is considering the foreclosure of mortgaged assets.

There are 10 appeal boards, one for each province, and each one is comprised of experienced farmers. At the request of borrowers who are on the verge of losing their assets to the Farm Credit Corporation or those placed in a dire financial situation, the appeal boards, and this is important, will review the cases. Each case will be examined without prejudice by a third party. This seems important to me because of the circumstances, Mr. Speaker. The appeal boards will allow the farmer to ask all his creditors to appear before them. In the presence of all those who are interested in the survival of this farmer one has to think about the survival of the farmer, Mr.