

Farm Debt Review Act

Concerning the five-day notice, the Minister has already indicated he is willing to accept extending that to 15 days. It occurs to me that if a farmer in Kenora—Rainy River with a debt over \$4,000 receives notice from the bank or the farm machinery agency that there will be seizure, there is a form one must complete in order to apply. Where does one get the form? Does one get it from Toronto, is there an office in Thunder Bay, or where is it?

One must line up all one's creditors on that prescribed form, one must let them know, and then one must file the form with the farm debt review board. Therefore it is important that that extension be increased to 15 business days; in actuality, 21 days. I consider that to be an important improvement to the legislation. Even though it is a voluntary system, I think it important that we have an appeal procedure. I believe that, in general, the debt review panel will be effective. However, its members may err, they may not function well, the chairman may not be as competent as he or she should be. There should be an appeals procedure whereby the farmer, if he is not satisfied with the decision of the debt review panel, is able to appeal to the board for the establishment of a new panel.

Where there is a grave injustice being done to the farmer and the debt review panel is not able to effect an arrangement, the debt review board should be able to refer the application to a court of competent jurisdiction to ensure that the farmer is treated fairly and that a serious injustice will not be done.

• (1530)

This does not mean that every case would be referred automatically to the county court or to another court of competent jurisdiction. It simply means that the debt review panels will become aware of situations which are before them. They will not be able to affect proper arrangements. They will be able to refer the matter to the debt review board. Where there is a grave injustice being done to a farmer, the case and recommendations of the review panel can properly be referred to a court for adjudication and decision.

These are just a few of the matters which I think need to be considered as we examine this Bill. I believe that there needs to be an ongoing review of this legislation. There have not been the proper hearings before the Agriculture Committee with respect to it. I recommend that we put in place a review committee made up of officials from the Department of Agriculture, from the Farm Credit Corporation and from the industry itself. When I say the industry, I mean the farmers and farm organizations in the country could nominate the people they want to sit on this committee. The review committee would make a report to the Minister twice yearly, which report would stand referred to the Agriculture Committee. I think it is essential that we have that type of review.

The Minister has already put forward an amendment to the effect that the annual report of the review boards would be turned over to the Agriculture Committee. This means that the annual report for the fiscal year 1986-87 would become available on March 1. It is tabled within three months and

referred to the committee by late June. This means that the committee will not get a chance to look at it until September or October, if the normal cycle of parliamentary activity occurs. I strongly recommend that there be a review committee, especially during the early days of this legislation. It is new legislation. I think it would be of great advantage to the Minister to have a review committee.

Because thousands of farmers will be facing foreclosure in the next year or so, it is important to provide a strong and formal review process in order to maintain as many of them on their farms as we possibly can. In this way fairness and equity will prevail. From studies which have been done by the Farm Credit Corporation, we know that half of the farmers in serious financial difficulty—close to 20,000 farmers—are our youngest, most productive and most technologically-advanced farmers. They also produce about one-half of the food that is produced in Canada. Of course, no legislation can help every individual, but if the legislation before us is enacted and strengthened as we are recommending it be strengthened this afternoon, I think it can help a great many of them. We are now going through a turmoil with respect to grain prices in terms of constant dollars which are at the same value as they were in the 1930s.

We have to take unusual and drastic steps to cope with the situation. It is not only through this legislation but through financial assistance provided by the Government and through other ways that we will be able to see farmers survive in the next two or three years in which we know there will be so much difficulty.

I wish to close with those remarks. Later on during the course of the committee hearings I will be making a number of recommendations regarding amendments to the legislation.

Mr. Althouse: Mr. Chairman, before we get into a detailed discussion of the Bill, this is an appropriate time to reflect on how we got this far. It is appropriate to consider now what the Bill attempts to do and what improvements we hope to be able to make to it during the period of time that the Bill is before the Committee of the Whole House.

I wish to point out that the farm prices crisis that we are now in is just becoming known to us in terms of the effects of the Farm Bill and the price war that has gone on with the European Economic Community. I say that because I want to make it quite clear that a very dramatic change in the economic circumstances of Canada's farmers has yet to hit. The farm debt which faces farmers was caused by actions taken some five or six years ago when extremely high rates of interest were being charged. This situation caught many of Canada's food producers in situations with debts they could no longer afford to carry.

In the end they faced rates of interest up to 22 per cent and 24 per cent. For this they can thank the changes in the Bank Act which were passed in this House in 1980 and 1981. Thanks can also be given to a companion piece of legislation which went with that Act; that is, the striking down of the old