

I could go on listing a number of programs through which the government brought immediate assistance to farmers who were financially strapped. I would invite those farmers to avail themselves of those programs which make them feel more secure and enable them to remain very effective and very productive. Farmers are facing serious difficulties because of the rising costs of interest rates. Of course, the Farm Credit Corporation does offer certain special advantages to those borrowers. The corporation mortgage loans feature a set interest rate for the full terms of the loans. The farmers who borrowed from the corporation in recent years are not forced to renew their mortgage loans at higher interest rates, so they are relatively secure from soaring interest rates. The Farm Credit Corporation's current 16¾ per cent interest rate compares very favourably with those of many other lending institutions whose rates stand at 20 per cent or more. The corporation has always maintained an efficient collection policy which is also flexible enough so it can make certain adjustments to help the borrowers who find themselves in a temporary bind.

That policy allows for a case by case assessment, an analysis of the situation of each borrower. Payments can be postponed for a certain length of time, then when the crisis is over, they are adjusted somewhat to enable the farmer to bring them into line with the original schedule. The interest rate that applies to the back payments is the same as on the original debt. In exceptionally difficult circumstances, where the new adjusted payment would be too high, back payments may be paid off at the same time as the balance of the loan and a new schedule set up. The interest rate under the new schedule remains the same that applied to the original loan when it was approved.

Refinancing debts is one of the objectives of the loans policy of the Farm Credit Corporation. It will refinance debts incurred with a view to buying what resources are needed to set up a profitable operation, but only if that improves considerably the financial structure of the operation and the owner's chances of making it profitable. Before lending to that end, the corporation will demand that the farmer consider selling some of the capital goods that are not necessary to the efficient operation of the business; it will make sure that the reorganization of the borrower's finances will produce sufficient revenue to guarantee reimbursement of the loan. Present conditions this year have forced the Farm Credit Corporation to give higher priority than usual to debt refinancing in those sectors where the crisis is more severe.

● (2020)

[English]

Mr. Les Benjamin (Regina West): Mr. Speaker, I have read the Conservative motion on this opposition day. It notes the disastrous increase in farm bankruptcies. It may or may not be disastrous. It is certainly a lot higher than it was last year or the year before last. There were a lot of them in those two years, too. Of course, we still had the Conservative and Liberal governments in those years as well. It is fun listening to the

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black cats name-calling the white cats and the white cats name-calling the black cats. Either way, the farmers lost.

I am an ordinary prairie-type alley cat, Mr. Speaker. For many years I have watched these purebred white cats and black cats standing up in Parliament and blaming one another for what each one of them has done.

Mr. Speaker, there have been substantial increases in farm bankruptcies. That is only the tip of the iceberg. The president of the Ontario Federation of Agriculture tells us that for every farmer who goes into bankruptcy in a formal, legal way another ten quit farming one way or another.

I suspect, Mr. Speaker, that is the case right across the country. When you get to a situation where the interest payments on your land or on your machinery take the entire income from the crop you have produced, then surely you will not continue farming. We have farmers, whether they are grain, beef or hog producers or farmers in another sector of the agricultural economy, who have to use the income from most, if not all, of their current year's crop to pay the interest charges on their borrowings. Surely that is economic madness. However, it is a madness they are forced into with no other alternative.

The Minister of Agriculture (Mr. Whelan) has been snorting and stomping his feet across the country for the past year and a half. I have seen him react in a similar way to a bull in the pasture. He has been snorting and stomping with regard to bank rip-offs and high interest rates. I believe that most times when he was snorting and stomping he was perfectly right. In fact, I shall use him as my witness. The financial institutions have been, in fact, ripping off the farmer.

My good Conservative friends who moved the motion—and I have seen them do it every year over the last fourteen years, except one year when they were in power—rave and rant about high interest rates. It took them only nine months to raise interest rates by 3 per cent for the farmers, the small-business men, the fishermen and the home owners. It took the Conservatives nine months to raise the interest rates by 3 per cent, and yet the Liberals are taking a year and a half to raise it another 6 per cent. They are running about equal, Mr. Speaker. Both parties have about the same track record—it is muddy. Both parties are hollering, snorting and stomping about the same issue. There is no difference between the black and the white cats or the black and the white horses.

Would either party—if it had the power to do so—direct the Bank of Canada and the chartered banks to have loan capital available at interest rates that are geared specifically to discriminate in favour of small farmers, small-business men, ordinary home owners and ordinary fishermen? Would they really do it?

Both parties have had their chance since 1867. Neither one of them has done it. The fact that any minister of agriculture would countenance an increase in the interest rates of the Farm Credit Corporation means he has had to give in to the President of the Treasury Board (Mr. Johnston) and the Minister of Finance (Mr. MacEachen). He was told he had