

Agriculture

Corporation's envelope. During the first six months of the current fiscal year, the Farm Credit Corporation approved 3,500 loans for a total of nearly \$360 million, and according to our projections the total budget for the year will be close to \$460 million. Only approximate figures can be given, since a large part of the total budget of the Farm Credit Corporation is made up of repayments or advance payments made by borrowers.

Mr. Speaker, so far this year, loans have been used mainly to purchase additional land, with purchases of new farm units coming a close second. However, the number of loans granted to consolidate debts has increased considerably because of the difficult situation brought about by high interest rates, which rose from 24.8 per cent on March 31, 1980 to 27.1 per cent on September 30, 1981. However, Mr. Speaker, we still see Canadian farmers who are consolidating their units and buying additional land and farms. We see this every day in every province, and in any case in Quebec, farmers buy land from one, two or three neighbours to considerably expand the size of their farms. While the number of farmers is decreasing, actual farm acreage is stable or rising, and each year shows a sizeable increase.

The Farm Credit Corporation knows for a fact that credit productivity is directly related to the managerial ability of the borrower, and that effective farm management has become tremendously important during the last two years because of fluctuating interest rates. However, the work of the Corporation and the Department of Agriculture goes even further, since last spring and last summer, Mr. Speaker, the Department of Agriculture helped Canfarm to get back on its feet so that Canadian farmers could continue to benefit from the bookkeeping assistance provided by Canfarm, to improve management of their farm operations.

The Corporation makes available upon request advisory services on a voluntary basis to all its current and former borrowers. The purpose of these services is to dispense advice in the areas of organization, planning and administration to help family farms reach their economic and personal goals. As of March 31, 1981, some 2,742 borrowers were availing themselves of these services and others will probably do likewise. There is also the Farm Syndicates Credit Act. Its purpose is to provide financial assistance to farmers who want to join forces to fight against rising costs which individual farmers have to meet when they seek to purchase farm appliances, buildings and stationary equipment, through loans which may be granted to groups of three farmers or more up to a maximum of \$100,000 or \$15,000 per qualified farmer, whichever is the smaller.

For the year 1980-81, Mr. Speaker, the Farm Credit Corporation has granted to the above mentioned people 169 loans for a total of \$4.8 million. Up to this year, we have witnessed a marked increase in the demand for loans of this type, and one

of the reasons appears to be the rising costs of specialized equipment over the past few years.

• (1710)

Concerning the point raised by opposition members about farm failures, I would like to say a few words and give reasonably accurate figures. From 1979 to 1980, the number of farm bankruptcies across Canada increased from 124 to 220. According to the figures for the second quarter of 1981, there has been to date 191 farm bankruptcies, a 16.5 per cent increase over last year. In 1979-80, 32 farmers who had borrowed from the Farm Credit Corporation went bankrupt, compared with 56 in 1980-81. And as of September 30, 1981, 41 borrowers from the Farm Credit Corporation have gone bankrupt. Those figures, Mr. Speaker, are for all of Canada, for all provinces. We have no hesitation in recognizing the seriousness of the situation, and of course official bankruptcies are only part of the total failures in the farming community. There are others. You must not forget, however, that the latter represent only a small proportion of the total farm population, because a good many farmers, even if they are faced with high interest rates—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

[English]

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, initially I want to say that the opposition motion before us today is timely and appropriate. It provides all of us who are actively involved in agriculture with an opportunity to comment frankly and honestly on the state of each of our special interests in agriculture. This is what I propose to do. The motion pinpoints the issues which dominate every sector of the Canadian agricultural economy today—the devastation of high interest rates, the increasing cost of production, and generally increasing inflation.

The hon. member for Elgin (Mr. Wise), a former minister of agriculture, is presently serving as a member of an Ontario provincial task force on agriculture. I visited with him last week concerning the public meetings which he helped to conduct. Recently he commented that the hearings throughout Ontario are very revealing in terms of what is troubling Ontario farmers. They reveal that the interrelated issues of interest rates, increasing production costs, inadequate market prices and ongoing inflation are first and foremost. Heading the list of commodity groups in real trouble are beef cattle and hogs. The Ontario agricultural task force has struck a sounding board for all Canadian agriculture, especially the cattle industry.

This afternoon I intend to discuss my special responsibility—and I am sure some hon. members will say that it is my labour of love—Canada's beef cattle industry. First I should like to make some background comments on the total cattle