

Government Orders

department began to encourage credit unions and caisses populaires to make the program more available to their customers. This has resulted in the addition of about 600 new designated lenders across the country. Besides adding more outlets for getting FIMCLA loans, this marketing change has also generated more competition between institutions for loans, all to the benefit of the borrowers, being the co-ops and the farmers themselves.

• (1010)

I said that the program had become more popular recently. Quebec and Alberta are the sources of most of the new growth. In Quebec we can thank the caisses populaires Desjardins. That movement has become a major participant. We can credit it for the rapid growth of loans in Quebec under FIMCLA. Quebec has now the third highest number of loans.

Just ahead of Quebec is Alberta which has the second highest number of loans. In that province the government owned Alberta Treasury Branches has become a significant lender under FIMCLA Saskatchewan. However, it is still the biggest user of the program. In 1994-95 that province accounted for roughly half of all the registered loans.

FIMCLA has proven to be a very inexpensive way for the government to support the agri-food sector. Over 30 years, costs have averaged over just \$1 million a year, roughly 1 per cent of annual loans. Over the past three years the program has returned \$6.3 million to the consolidated revenue fund.

In order to reduce the program costs even further, we will be increasing the registration fee by a small amount, one quarter of 1 per cent. This will raise the average registration fee by \$67. It will now become \$202 on average. Still, we must agree it is a very reasonable cost to provide such a guarantee and program to the co-operative movement and to the primary producers, the Canadian farmers. Had this fee level been in place over the past 30 years, net costs would have averaged \$434,000 a year instead of \$1 million.

To allay the concerns that the government's 95 per cent guarantee is actually a subsidy to lenders, I should point out that the net losses under FIMCLA have historically been lower than the losses lenders have incurred on loans guaranteed outside the program. We are certainly proud in the agri-food industry that those losses are at less than 1 per cent. That is a tremendous record and one which the agri-food industry should be and is proud of.

The program and the amendments have the support of the major farm groups and the commercial lenders across Canada. I urge members on both sides of the House to support quick passage of Bill C-75 so that there is no disruption in the program for the agri-food industry in Canada.

[Translation]

Mr. Jean-Guy Chretien (Frontenac, BQ): Mr. Speaker, it is with pleasure that I rise this morning to participate in the debate on Bill C-75 at third reading.

As we said earlier, the purpose of the only amendment to the Farm Improvement and Marketing Cooperatives Loans Act is to double the number of loans guaranteed under this act.

As the parliamentary secretary to the Minister of Agriculture and Agri-Food explained so well, this change simply increases the limit of guarantees on loans made by banking institutions. The current limit is \$1.5 billion. Bill C-75 would increase this limit to \$3 billion.

This increase is said to be in line with the increased needs of many farmers and would facilitate access to financing.

Our position on Bill C-75 has not changed. To benefit our farmers and make their lives easier, we in the Bloc Quebecois will support the amendment proposed by Bill C-75. We therefore endorse raising the limit from \$1.5 billion to \$3 billion.

However, I wish to point out that, although we support Bill C-75 for our farmers' sake, this short term solution is not the one favoured by the Bloc Quebecois.

• (1015)

In the current federalist context, the provinces face the "mission impossible" of obtaining even a minimal degree of autonomy from the federal government, which is trying to take one power after another away from the provinces through its spending power. That is why we must support this temporary solution, to allow the government to go forward with Bill C-75 so that farmers in Canada and Quebec can have access to more funds, of course.

Although this is a fundamental aspect, I want to draw your attention to the duplication bills such as this one generate. The real question we should ask this morning is not whether the limit established by the Farm Improvement and Marketing Cooperatives Loans Act is high enough, but whether the program itself is basically sound.

According to Agriculture Canada figures, the increased demand for loan guarantees justifies the amendment proposed by Bill C-75. Farmers must, of course, have access to financing in order to improve or expand their facilities. We are not questioning this fact. The question we must ask this morning is, "What is the most efficient way to meet farmers' needs?"

In Quebec at the present time, there are three organizations that help farmers secure financing or can do so. There is the Société de financement agricole, which is under provincial jurisdiction, the Farm Credit Corporation, under federal jurisdiction, and the bill before us today, to amend the Farm Improvement and Marketing Cooperatives Loans Act, the latter also coming under federal jurisdiction.