

Farm Credit Act

Mr. Speaker, it is stipulated here that a farmer can borrow as much as \$100,000 provided he proves that he needs that amount. But if he borrows \$100,000, he will have to pay 7, 8 or 9 per cent interest. I say 7 per cent, but that is seldom the case. It is always a bit more because of administration costs. A bit more than 7 per cent is always charged.

An hon. Member: Seven and three-quarters!

Mr. Caouette: And soon it will be 8½ per cent.

How can a farmer expect to pay 7, 8, 8½ or 8½ per cent interest when that does not even represent his profits on his farming operation?

• (1530)

As I said earlier, some Saskatchewan farmers still have the wheat they produced four years ago—yes, four years ago—and the government says that we are selling wheat to China, Russia and advises the farmers to go and sell their wheat.

If, instead of travelling throughout the world to see how things are going in other countries, the Minister of Industry, Trade and Commerce (Mr. Pepin) or the Minister in charge of the Canadian Wheat Board (Mr. Lang) were truly looking for clients surely they would find several countries which need Canadian wheat.

A few weeks ago, I was in Cameroun with other members of a Canadian parliamentary delegation at the Yaoundé interparliamentary convention and noticed rather skinny young Negroes who surely were prepared to buy Canadian wheat.

Other countries, for instance India, need wheat. I am convinced that if we had the required machinery our ministers could sell our surplus wheat and help our farmers who cannot sell their crops.

Bill C-5 authorizes the corporation to grant additional loans. If someone already owes \$15,000, \$25,000 or \$30,000 he will be granted a new loan so as to sink even deeper into debt and this new loan will include the amount already outstanding. Perhaps the former loan was granted at a rate of 4, 4½ or 5 per cent but under the new act the farmer will be able to borrow to pay his arrears at a rate of 7, 7½, 8 or 8½ per cent.

Mr. Speaker, hon. members or the people may think that this bill will assist the farmer. It is not going to help him, but to hurt him further. This reminds me of a certain finance company—this government is the agent of finance companies—when it advertises on the radio or television: If you owe money to the Household Finance Company, to the Beneficial Finance Company, to the Niagara Finance Company and to the Western Finance Company, “bundle up” all your bills and come to the Avco Finance Company, which will grant you a loan covering all your debts and you will have only one payment to make. The guy hurries up, “bundles up” all his debts—amounting to \$2,000 or \$3,000—and to have only one payment to make, he goes to the new Avco Finance Company—that which advertises every week on television—to raise a loan in order to pay off all the other companies. Once he gets out of this finance company’s office, instead of owing \$2,100, he owes \$2,700. He will then owe \$600 more but will have

one payment to make instead of four or five. He will be told: Old chap, we got you out of the hole. But in fact they got him deeper in it and this is exactly what is being done with farmers under Bill C-5. They are urged to incur additional debts so they will be able to go into farming.

Mr. Speaker, within five or ten years a great many farmers will have lost their lands. Some rich western farmers—in Gravelbourg, Ponteix, Humboldt or Prince Albert, it matters little, I went there—were owners of their farm and operating it. Today, after 15 or 20 years of hard work, those people no longer own their farms. They live in the fear of their farms being seized because of interest past due, and the government maintains that system.

Canadian agriculture is being put to death. And I repeat that agriculture is still the cornerstone of the whole Canadian economic structure, even though some may laugh.

If it were not for the farmers, some people with bowler hats and dressy suits in the Montreal offices would dry up in no time. The farmer is needed, but few understand that. It is said that farmers work hard. They get up at five in the morning to milk their cows, while others get up at ten o'clock to “milk” the farmers, especially the financiers.

I see my Liberal friends smiling: they know what I mean.

An hon. Member: The ten o'clock boys!

Mr. Caouette: The ten o'clock boys!

Mr. Speaker, I do not intend to say more on Bill C-5, but I want to put on the record the opinion of the group that I represent in this House, namely, Social Credit party members. I am sure that in all rural constituencies throughout Canada, farmers expect improvements rather than bills that hurt them further with debts at ever increasing interest rates.

I suggest that the government introduce a stable overall agricultural policy for the whole of Canada instead of a policy which is liable to sow discord between farmers of Western and Eastern Canada. Western farmers say, We have not enough because the government gives too much to the East. And in the East, farmers say, We do not get enough because the government gives too much to the West. And yet, there are enough resources in Canada for the whole population.

The problem that arises in Canada today is not one of production, but rather of distribution of consumer goods. There is the real problem: And unless we grapple with it, it will remain unchanged, even with budgets such as the one that was brought down last night.

We give incentives to manufacturers and say to them: “Produce more,” even though we cannot sell what we produce now. We say to the farmers: “Produce more, buy combines, new trucks, tractors, farm machinery and produce.” But we can’t even consume what is being produced, simply because the consumers have no purchasing power.

Mr. Speaker, we have too much wheat in the Western provinces, too much milk in Quebec, too much corn in Ontario, too many mines, too many forest products in British Columbia, too much fish in the Maritime prov-