

Job Creation

piece of equipment can remain idle during harvest time while waiting for a \$5 part.

I recognize that the budget did provide a one-shot \$50 million to the Farm Credit Corporation and a commitment to extend the Small Business Development Bond. The Small Business Development Bond has been completely gutted. It is not a long-term source of capital. My colleague for Cambridge (Mr. Speyer) indicated today a memo had been circulating from head office through the banks instructing them to place a moratorium on the use of the Small Business Development Bond.

● (1730)

The \$50 million to the Farm Credit Corporation again is in the right direction but is not an adequate source of long-term capital. In fact, \$45 million of that \$50 million will be paid back with principal and interest at 11¼ per cent for the first two years and at the full interest rate beyond that period of time.

In this state of emergency then, only \$5 million and not \$50 million can be designated for special assistance. The Farm Credit Corporation officials admit it will assist only—

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

The hon. member for Elgin (Mr. Wise) may continue his speech only with unanimous consent.

Some hon. Members: Agreed.

Mr. Wise: I can assure the Chair that I will not abuse that privilege.

The Farm Credit Corporation officials have expressed some disappointment. They have indicated that such a measure will assist only about 350 farmers. Duncan Allan, the newly appointed deputy minister for agriculture and food in Ontario indicated that it might assist one in 15 Ontario farmers. I indicated before, in all fairness, that the direction of course is positive, but the degree of support is disgraceful. This kind of assistance, given the state of the industry, is nothing short of an insult to Canadian farmers. The present condition of Canadian agriculture demands that the government take action now in a number of areas.

First, a moratorium must be imposed on farm bankruptcies, foreclosures and forced sales. Some people have questioned this. Why? It is to prevent 24-hour auction sales, to prevent the sale of productive assets, to eliminate the sale of valuable livestock at slaughterhouse prices and to give the necessary time for governments to put into place programs and policies for the survival and recovery of this industry. That is the wisdom behind such a moratorium.

Second, the Farm Credit Corporation must receive at least \$500 million immediately. The required funds could be used exclusively to subsidize interest rates and the remainder could be used to provide the necessary funds to allow the corporation to continue its necessary function.

The Christian Farmers Federation has called for an FCC fund increase of 25 per cent. The Canadian Federation of Agriculture has called for an increase of \$1 billion. Fifty million dollars would subsidize an interest rate by 5 per cent for \$1 billion worth of debt. Farm Credit Corporation funds are not grants, nor are they handouts. These funds are repaid with principal and interest. Funds of this magnitude would lower a significant number of debts from 20 per cent down to a more manageable level. That is the wisdom of such requests, Mr. Speaker.

Third, the Small Business Development Bond will be administered solely by the banks, if indeed they will participate in it. In order to ensure a reasonable degree of equity and fairness in the decision, an independent review agency should be established with representation from the AGRA community.

Fourth, this government has missed a golden opportunity to implement the AGRA bond concept. The timing is almost perfect. The cost to the public treasury would be extremely small. The benefit to the farming community would be immense. We know that a dollar invested in the agricultural industry generates \$7 to \$10 in terms of the general economy.

Fifth, the Ontario Federation of Agriculture has proposed a market risk insurance plan. This plan involves a three-way participation between the two levels of government and the producers. This plan has been ignored.

Sixth, the Christian Farmers Federation has carefully studied this financial crisis and has recommended a selected interest rate subsidy of over 12 per cent on short-term and medium-term loans. I am certain that the members of that federation will find little comfort, if any, in the \$5 million subsidy contained in the recent budget.

Seventh, what has happened to the government's election promise to update the V-day values? This promise has been completely forgotten. The government has yet to match our offer to double the exemption, to say nothing of a once in a lifetime exemption from this inflationary tax. The hon. member for Lethbridge-Foothills (Mr. Thacker) today indicated there were only a couple of provisions left of which farmers could take advantage to cushion to a small degree the effects of the capital gains tax. One of those provisions has been removed; the other one has been seriously cut.

Eighth, no measures were offered for further rebates on fuels used for food production. Given the increase in cost of this source of energy in the next few years, a total exemption of tax would be appropriate and would benefit all segments of the AGRA food industry, from the producers to the consumers. The hon. member for Medicine Hat indicated, because of the serious state of the beef industry, the red meat industry today, that it is simply imperative for the government to move on to a rational and national stabilization plan. If the beef industry is to survive the crisis it faces today, I believe an emergency payment is essential.

We are losing farmers day by day. The farmers we are losing are among our better farmers. I recall asking a question of the Minister of Finance (Mr. MacEachen) on the first day