

possibilities in agriculture and, above all, I suggest we do everything we can to lower interest rates in agriculture.

As I pointed out earlier, farmers are unique. They cannot increase the price of their goods as the price of the production increases because governments and all other institutions do everything in their power to keep the cost of food low to the consumers in this country in order to keep the cost of living and inflation down. However, the farmers are being faced with tremendous increases in cost in order to produce these goods. They do not want a handout. They do not want to become partners with the government, but they do need assistance.

I feel that it is time that we in this House sat down with those farmers or their representatives to figure out the best methods. I feel that it is time the Government of Canada gave farmers a fair shake.

**Some hon. Members:** Hear, hear!

**Mr. Doug Neil (Moose Jaw):** Mr. Speaker, I welcome the opportunity to participate in the debate this afternoon on the changes to the Farm Credit Corporation. I support the bill, generally, but I am looking forward to the time it is referred to committee so that we in the official opposition can make some constructive recommendations to the bill. I would like to make a few comments on some of the sections contained in the bill.

Clause 3 provides for an increase in the number of members on the board of the Farm Credit Corporation from five to seven. I would certainly like to hear an explanation from the minister as to the reason he finds that increase necessary, other than to give some Liberal in the backwoods an opportunity to sit on the board and feed at the public trough.

Over the years, the Farm Credit Corporation has done an excellent job for the farmer. For this reason, I hope that increasing the board will not result in any real changes in its operation. However, we are certainly entitled to an explanation by the minister.

My party and I support the increase in the capitalization from \$150 million to \$225 million. This increase in funding is certainly necessary because during the last year or two it has become more and more difficult for borrowers to go to the Farm Credit Corporation and find available funds. In many instances, when an application is made, the people who are administering the fund say to the borrower, "We would like to help you but, unfortunately, we simply do not have the money." If a young farmer, or any farmer for that matter, has a deal pending with respect to the purchase of farmland, he is certainly in need of the money within a reasonable time. If he is told by the Farm Credit Corporation that it will take six weeks, two months, three months or four months before he can get the money, he will not be able to proceed with the deal.

I think one of the real problems today is with respect to the interest rates. One should consider the present interest rate of 16.75 per cent, which is presently charged by the Farm Credit Corporation, along with the current price of land. It is not unusual, in my region at least, for a farm to sell at a minimum of \$1,000 an acre. If one relates an interest rate of 16.75 per

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cent to \$1,000 per acre of land, that means that the interest payable annually is approximately \$167.50.

As it happens in most instances, farmers nowadays, because of climatic conditions and other factors, farm on a two-year rotation basis. They summer-fallow one year and they crop in the alternate year. Therefore, one has a situation where half of one's land is in crop each year. In other words, one acre of land must support the interest on two acres. If one relates 16.75 per cent interest to two acres of land at \$1,000 an acre, one finds that this amounts to some \$335 per acre. At \$6 per bushel of wheat, it will require a crop of something more than 50 bushels to the acre simply to pay the interest alone, and that is without paying anything on the capital or paying one's taxes or input costs. The input costs have been rising year by year. The prices of fertilizer, sprays and farm machinery go up, but this is really something over which we have no control.

However, I would suggest to Your Honour and to hon. members of the House that interest rates are something we in the House can do something about. I would like to put forward a proposal which I think is important. The Minister of Agriculture (Mr. Whelan) has spoken about bringing interest rates down, but he has never brought forward any proposals. It was rather interesting to read an article in *The Toronto Sun* of January 31, 1982, entitled "Taxpayers Underwrite 10 per cent Loan to Soviets". If one reads that, one finds that the taxpayer of Canada will be subsidizing the Soviet government on a loan that EDC is making to that country. I will read one paragraph which states:

The Trudeau government has been working on a deal in which the benefits of a \$198.5 million—

**Mr. Cousineau:** Order!

**Mr. Deputy Speaker:** Order, please. The hon. member for Gatineau (Mr. Cousineau) rises on a point of order.

**Mr. Cousineau:** I wonder if the hon. member who is now speaking could respect the customs of the House by not referring to the Prime Minister (Mr. Trudeau) by his family name but by his title, please.

**Mr. Epp:** Mr. Speaker, he is quoting!

**Mr. Neil:** Mr. Speaker, I was quoting from an article.

**Mr. Cousineau:** Order!

**Mr. Deputy Speaker:** Order, please. The hon. member for Moose Jaw (Mr. Neil) has the floor.

**Mr. Epp:** He was quoting.

**Mr. Cousineau:** Doesn't make any difference, Jake.

**Mr. Neil:** The article states:

The Trudeau government has been working on a deal in which the benefits of a \$198.5 million Canadian taxpayers' 'subsidy' would go to the Soviet Union.

The *Sun* has learned that the federal government's Export Development Corporation has been planning to borrow money for a Soviet project at 16 per cent interest. They would then loan it at only 10 per cent interest to finance Canadian companies who are negotiating to build a \$750 million portion of a