

Agriculture

should have no trouble borrowing part of its funds on the financial market. The Export Development Corporation is already doing so very successfully. However, the Corporation might be forced to change the conditions under which it now lends to farmers.

● (2010)

To be able to attract the necessary capital investments from the private sector without changing substantially its rate of interest to farmers, the Corporation might have to offer shorter-term bonds. It now borrows for a term of 20 years, but the proposed changes could also force it to borrow for five and ten-year terms. This could force the Corporation to review periodically its interest rates to make the terms of its bonds coincide with those of its loans to farmers. These loans from the private sector could lead to a slightly higher rate than that offered under the present formula. It could prove necessary to increase or lower periodically the mortgage rate of the Corporation. The interest rate, the terms and conditions of the loan will be set so as to cover lending and administration costs while allowing for sufficient funds in reserve as an insurance against losses. While the terms and conditions of the loans granted by the Corporation could then be less attractive than at the present time, I know for a fact that the agricultural community would support any government initiative to increase long-term credit supply at reasonable rates and to guarantee the future profitability of Canadian agriculture.

The proposed changes are the result of many letters which we have received from farmers, farm organization advisory committees to the Farm Credit Corporation, provincial agriculture departments and Members of Parliament. All of these recommended an increase in long-term credit available to farmers. The Farm Credit Corporation of Canada contributes to the stability and profitability of the family farm by allowing it to make the technological changes necessary to increase its efficiency. Figures from the Farm Credit Corporation prove that family farm operators have used credit to guarantee the success of their operations. For this to continue, they will need adequate long-term credit. I know what Canadian farmers have done in the past and what they can do in the future if they are provided with the tools they need. I know that they will continue to operate family farms successfully and to improve the efficiency of their operations.

I also know that the Farm Credit Act is a tool which will enable them to continue to produce high quality food products as efficiently as the farmers of any other country. I also know, Mr. Speaker, that if, as I have suggested before in committees, the Farm Credit Corporation were to treat Canadian farm producers on the same level as they do a business or an industry, the agricultural producer would perhaps behave increasingly better, and I would like to explain what I mean. I have suggested previously in committees that certain options should be opened to farm producers who want to reimburse their loans over a shorter period. Instead of taking 20 years to

repay a farm loan, a farmer should be allowed to pay it back ahead of time without his payments being considered as income up to a maximum of \$5,000, which would mean that they would not be subject to the Income Tax Act. What I am trying to say, Mr. Speaker, is that the Farm Credit Corporation could make many adjustments to put once and for all the farm producer on the same level as any businessman.

Mr. Speaker, although agriculture seems to be experiencing great hardships at present because of high interest rates, we must remember that government offers farmers many ways of protecting themselves in difficult situations, in cases of poor crops or lower than normal prices. For example, Mr. Speaker, let me mention the Crop Insurance Act. Many Canadians tend to forget that this is an extremely important tool for the farmer and I would like to quote briefly from it to show you that the producer can avail himself of the existing legislation to make his operation profitable. It reads:

Under the 1959 Crop Insurance Act, Canadian farmers can subscribe to an all-risk crop insurance scheme. This is a federal-provincial cost sharing program designed to stabilize farmers' income by minimizing the economic effect of crop losses due to environmental causes.

I would also like to read the part which deals with crop insurance. In 1979-80, a federal-provincial agreement which is still in effect was reached with each of the ten provinces. I quote:

Under the agreements reached with Quebec, New Brunswick and Newfoundland, each level of government shares 25 per cent of the total premiums and half of the administrative costs. With regard to the other provinces, the federal share is 50 per cent of total premiums with the provincial governments bearing all of the administrative costs.

Therefore, Mr. Speaker, Canadian farmers everywhere pay only 50 per cent of crop insurance premiums. To show you the great importance and benefits of this crop insurance program for all Canadian producers, let me say that in 1979 alone the federal government's share amounted to \$78 million. It is therefore up to farmers to take advantage of this program.

I would also like to mention the Agricultural Stabilization Board. The Board was set up to provide compensatory payments for crops where prices were lower than production costs, and I would like to point out some specific sectors of production. For instance, let us consider that support payments amounting to \$48 million were paid to 29,475 producers in 1980-81. This figure does not include support payments made to the dairy industry. In that industry alone, \$287 million had been paid to Canadian dairy producers as of March 31, 1981. And then we might mention the stabilization of pork prices in 1980 under which Canadian pork producers got roughly \$100 million. Had it not been for that, Mr. Speaker, it can certainly be said that the great majority of pork producers in Canada would probably have been on the brink of bankruptcy. We have also taken steps in the potato growing sector, for it is fair to say that 3,780 Canadian potato growers were given \$21 million in 1980, most of them in the provinces of Ontario, Quebec, New Brunswick and Prince Edward Island.