

Government Orders

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to speak on report stage of Bill C-95 which is an act to repeal the Farm Credit Act and replace it with the Farm Credit Corporation Act.

This bill will expand the financial services to farm businesses diversifying beyond the farm gate. It is really permissive legislation since it sets out the rules under which the Farm Credit Corporation must operate.

There are several areas which are quite different as we compare this bill with the act that it will replace. There are two areas of concern to me. One of those is addressed in the amendment submitted in the name of the member for Algoma. While the financing alone must be for operations in Canada, I also note that the new legislation does not require that the applicants be Canadian citizens.

The new legislation will permit FCC to provide a loan to a business located off the farm within the rural sector as long as the inputs and outputs of the diversified operation are clearly identifiable. It could be for anything.

The amendment put forward for farming operations includes family farms and businesses in rural Canada, including small and medium sized businesses related to farming. The subamendment put forward by the member for Mackenzie to include co-operatives is also a very positive step.

This legislation puts the corporation in competition with chartered banks and the new provisions under the Small Businesses Loans Act which charges an interest rate of 1.5 per cent over prime and has a ceiling of \$250,000. As we look at this new legislation we wonder if this is the first step toward privatization of the Farm Credit Corporation.

We admit that there are some aspects of the legislation that require special consideration that would cover for example a farm owned and operated seed cleaning plant or processing plant for livestock and poultry slaughter and processing or a small farm scale ethanol plant to supplement a feedlot operation. In some areas of this country such operations would certainly be of benefit to those respective communities.

I must caution however that such endeavours are not always a success. A local poultry operation in southwest-

ern Ontario set up a state of the art poultry processing plant a few years ago at a cost of \$500,000. They discovered to their dismay that they could not penetrate the market except for individual private sales prior to the holiday season. They suffered huge losses. The plant now operates only a few weeks out of the year.

• (1100)

The government seems to want to continue tinkering with the massive problems facing Canadian agriculture today. In fact, the new president of the Canadian Federation of Agriculture said: "This government refuses to acknowledge that there is a problem".

The president of the Ontario Federation of Agriculture stated at a rally in Lucknow, Ontario: "Farmers are upset, farmers are worried and Canadian farmers are indeed very angry".

Just recently the chairman of the Ontario Farm Debt Review Board said he fears he is going to be "a very busy man this spring". A well-known farm consultant stated that the Farm Debt Review Board has simply become a very sophisticated collection agency.

The February 1993 brief submitted by the Roman Catholic Agriculture Co-Ordinating Committee established by the Catholic bishops of Saskatchewan stated: "What is happening globally is that basic food production is no longer the principal goal of the agricultural system. It is increasingly geared to support agribusiness processors, retailers and intermediaries, whether at the international or at the national level".

I note that this legislation has no upper limit as to the size of loans that can be received. I hope that we will be looking at this amendment in a positive light. We will be looking at this amendment to ensure that the focus of this government is redirected back to the family farm operations which have made this country one of the best in terms of agriculture production, of efficiency and the quality and supply of food that is available to our people at a very reasonable price.

I do not believe that the whole bill is going to address the problem of what is happening in Canadian agriculture today. While aspects of the bill are quite positive, as I indicated, I should point out that it does not address the basic problem of income for individual farmers, income that is so sorely needed in the grains and other sectors of