

Agriculture

Mr. Speaker, I believe the sudden rise in interest rates actually occurred after the bill was tabled in 1979. There is no doubt that for farmers, entrepreneurs, small and medium-sized businesses, home owners who face mortgage renewal, in fact for all Canadians, interest rates are high, and that we have galloping inflation. But, as the Minister of Finance (Mr. MacEachen) says almost every day during question period, high interest rates are the only way to fight inflation. We all know that the Farm Credit Corporation recently had to raise its interest rates to 16¼ per cent, which is still two, three, even four per cent less than the interest rates charged to small and medium-sized businesses. The Minister of Agriculture has just outlined also all the benefits and all the help given to Canadian farmers through stabilization payments to hog producers and potato growers, and recently to apple growers. The government must intervene on a regular basis under its stabilization insurance program.

The Farm Credit Corporation has been administering the Farm Credit Act for over 22 years. During that time it has made about 147,500 loans worth \$5.1 billion all told. Thanks to its long-term credit programs it has been one of the most important factors which has enabled Canadian farmers to boost their agricultural output and increase their efficiency over the last two decades. That corporation has granted in excess of 60 per cent of the long-term farm credit in recent years. The remainder came from provincial organizations, banks, credit unions, caisses populaires and private individuals.

Mr. Speaker, I represent a riding in the province of Quebec—Saint-Hyacinthe-Bagot—which is indeed the garden of the province, perhaps second to your riding, Mr. Speaker. Two or three years ago farm land used to sell for \$1,000 or \$1,200 an acre, but last week a young farmer told me he had just bought a farm which cost him \$3,500 an acre. In other words, the price of farms is inflated. And since 1973, the number of long-term farm loans has increased by almost 20 per cent each year and it is expected in some quarters that it could double between 1978 and 1981 to reach \$2 million. During the last year for which complete statistics are available, that is 1980-81, the Farm Credit Corporation has approved 4,680 loans for a total of \$508.8 million and the regional distribution of those funds for 1980-81 is as follows: British Columbia, 175 loans, \$21 million; Alberta, 640 loans, \$71 million; Saskatchewan, 1,346 loans, \$128 million; Manitoba, 470 loans, \$47 million; Ontario, 1,084 loans, \$138 million; Quebec, 742 loans, \$81 million, the Atlantic provinces, 229 loans for a total of \$20 million and in all, \$508,885,200 representing 4,686 loans.

What is amazing, Mr. Speaker, is that most of the approved loans were granted to persons under 35 years of age. Their share remained relatively constant around 70 per cent over the last three years. We often hear opposition members say that young people cannot afford to take up farming. Yet, 70 per cent of the funds I mentioned a while ago were paid to young farmers of under 35, and God knows, Mr. Speaker, that in

the province of Quebec it is the young people who are going back to the farm. Once again, I feel the Farm Credit Corporation has done more than its share in helping to finance over the long term those young farmers who want to settle on the land. Three per cent of the loans approved were granted under the young farmers' loan program, or the one that allows the borrowers to keep a job outside the farm.

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This program, which has been changed by means of the regulations of the Farm Credit Corporation these last few years, enables a young farmer to get a loan and settle down on a farm while keeping his job for a period of three to five years. We still often see, at least in Quebec, young farmers and their wives who keep an outside job while they own a farm and who slowly increase their herds and equip their farm so that they can leave their outside job after three to five years and devote all their time to farming.

About 27.9 per cent of the loans approved last year were used to purchase additional land compared with 29.8 per cent during the previous year. The loans granted for other purposes may be listed under the following categories: new units, 24.4 per cent; permanent improvements, 16.5 per cent; mortgage debts, 12.3 per cent; other debts, 12 per cent; equipment, 2.3 per cent; livestock 2.2 per cent; and miscellaneous, 2.4 per cent.

The repayment record of farmers has remained good in 1980-81. Out of \$75.2 million due last year, 89.4 per cent had been repaid, and the farmers have also repaid \$52.2 million on the principal not yet due. Moreover, during the year, 91.9 per cent of the \$279.1 million in due interest was paid. At the end of the last fiscal year, 93 per cent of all FCC active accounts were in order compared with 93.2 per cent the previous year and 90 per cent in 1979-80. That just shows, Mr. Speaker, that there are certainly problems, as we have heard from the other side, but I think that what our friends opposite would have the Canadian people believe are horror stories. They use every means at their disposal to exaggerate the crisis in agriculture. I was looking at the figures quite recently, and if I recall correctly, under 200 farmers went bankrupt in Canada last year.

If one compares this figure with the number of small and medium-sized businesses that have and have had difficulties, one can see that the Canadian farmer, like any Canadian citizen, is a good manager. He manages his farm with his family, and what he needs is of course credit, but also assistance to market his product and assistance to get through difficult or disastrous periods. And I believe that the Department of Agriculture provided some \$112 million to hog producers last spring under its stabilization program.

Real losses on loans have increased—I hope our friends opposite are listening—real losses on loans have increased by \$1.5 million, which represents .04 per cent of the Farm Credit