

Farm Credit Act

The minister made a case for not changing the interest rate structure in connection with the operations of the Farm Credit Corporation. He was bragging about the way in which interest rates had declined from 8½ per cent to 7 per cent in the last few months. Big deal, is all I can say. He says that if interest rates were kept below the going market rate the result would be an upward pressure on land prices, a situation which would bring no net benefit to farmers. There is some truth in what the minister says in this regard when one considers the corporation as, largely, a land buying agency. But it seems to me we should look at the situation from an entirely new point of view. An effort should be made to ensure that farmers are able to obtain lower interest rates than in recent years and that this be arranged in such a way as to make an effective contribution to the carrying on of good farming.

As to the bill before us, I am not sure what good it will do. It certainly does not display the type of imagination, the type of initiative which is needed if we are to find a way out of the present agricultural crisis. I hope the government will take a fresh look at the entire question in an effort to reach a solution different from that which we have seen up to the present time.

• (1520)

[Translation]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I listened carefully to the previous speaker's remarks about Bill C-5, entitled "An Act to amend the Farm Credit Act", and designed to assist farmers, which enables the Corporation to grant loans up to \$100,000.

Mr. Speaker, during the last two weeks, I happened to visit some strictly rural communities and regions in western Canada, particularly in Alberta, Saskatchewan and Manitoba. Now, I do not think that Bill C-5 will be of any assistance to them. Actually, many western farmers are at grips with terrible financial problems; they cannot even pay, at this stage, the interest on loans obtained 10 years and sometimes 15 years ago; some farmers are now urging this government to take steps, and resort to the legislation called the "moratorium", to prevent the seizure of their land. Being unable to pay the interests, they certainly cannot think of writing off their capital.

Here is what is said in an explanatory note of the bill, about clause 16:

—This amendment would provide that loans may be made under the Act only to individuals who are Canadian citizens or landed immigrants. It would also provide that loans may be made to farming corporations only if they are controlled by shareholders who are Canadian citizens or landed immigrants and to cooperative farm associations only if their members are Canadian citizens or landed immigrants.

Mr. Speaker, the problem facing western Canada is not so much the repayment of loans, but rather the sale of a production that has been piling up for quite a few years. I saw over there grain producers who were still stuck with their crop of four or five years ago. Now, at that time, they were forced to borrow on their inventories in order to have some liquid assets that would enable them to keep on tossing about in this system that I would term a criminal one for farmers.

[Mr. Burton.]

Mr. Speaker, as I said earlier, presently, farmers cannot even pay the interest on their loans. At Medicine Hat, in northern Alberta, in the centre of the province, as well as in the areas surrounding Regina, Gravelbourg or Humboldt, they are deep into debt, at inconceivable interest rates. How can farmers be expected to pay an interest of 7, 8 or 9 per cent on loans, when they cannot even sell their products? It is not the government which pays the interest, it is the farmer. And today, several among them are scared to death of losing their farms.

Furthermore, young farmers are not at all interested in taking over from their parents on the farms. These young western farmers are rushing to the cities in order to find employment, whereas if an adequate agricultural system enabled them to earn a living, they would be eager to take over.

And the same problem arises in the East, as my colleague for Richmond (Mr. Beaudoin) was saying.

Mr. Speaker, in order to expand, farmers have to borrow money, but these loans should not be granted at excessive interest rates, as they are now. Let farm loans be granted at rates of 2½ or 3 per cent at the most, and then, I think that farmers' sons will be interested in carrying on the work started by their parents and will be more concerned with farming. This is merely a suggestion.

One of my hon. friends has said in this House that when it comes to grants, there is a tendency to favour large industries. More grants should be made to agriculture which, to me, forms the basis of the whole economic structure of Canada as well as of any other country. And I notice that the sector of Canadian society which we protect and help the least, although it has to put up with the greatest number of working hours weekly, monthly and yearly, is the agricultural sector. It is the farmers and the sons of farmers who have to work continuously. Quite often some of these people toil from 4.30 or 5 in the morning till 9 or 10 at night. Moreover, some farmers nowadays do not even earn 10 cents an hour even in eastern Canada or in Quebec.

They do not enjoy the right to strike and everybody knows, for instance, that cows do not go on strike Sunday morning or evening. The farmer is therefore compelled to work, to milk his cows in order to deliver his milk on the market the following Monday morning and continue to earn an income.

However, we do not take into account the situation of farmers. People often laugh at them or blame them by saying, for instance, as the Right Hon. Prime Minister (Mr. Trudeau) did a year and a half or two ago when he spoke thus to western wheat producers: "So you have wheat for sale? Get out then and sell it!" That was, then, the agricultural policy of the Prime Minister.

Mr. Speaker, we are not here to give that kind of answers. When a government sets up a table, progressive and acceptable agricultural policy, farmers feel at ease and at home. But today, they do not feel at home, but at the finance companies the whole year round and they are being exploited to the point where their lands can be lost or seized as presently happens in western Canada and often in eastern Canada.