

Farm Debt Review Act

if necessary, changes will be made to ensure that it works to the benefit of all farmers in this country.

However, let us be honest. This legislation, in any way, shape or form, will not solve all the problems in Canadian agriculture. It will not address difficult questions about international pricing, nor will it address difficult questions about international markets. It will not erase the past. It is intended to and will help farmers with the potential to be viable and remain in business.

I see this legislation as a link in a long chain of initiatives. No one link addresses every problem in agriculture, but one by one the problems are being addressed and the chain keeps getting stronger.

The Government has added a link to the chain by introducing many agricultural initiatives. In fact, there have been initiatives every other working day since we assumed office, totalling some 260 initiatives representing a financial transfer from the Government of Canada to the farming community of well over \$5 billion.

Many of them have been directed specifically at the farm financial situation. Some have saved farmers money or have put cash directly into their hands. For example, we extended special drought assistance for the last two crop years for western crop and livestock producers; we offered assistance to sugar-beet producers, to Atlantic potato growers and indeed to tobacco farmers in Quebec and Ontario. We introduced an interest rate reduction program to assist approximately 5,600 Farm Credit Corporation borrowers who had been locked into high interest loans, bringing interest rates down from 16.75 per cent to 12.25 per cent.

We introduced amendments to the Western Grain Stabilization Act that allowed for record spring payments in two consecutive years, with total pay-outs topping the \$1 billion mark.

The Prime Minister (Mr. Mulroney) recently announced special agricultural initiatives, including the effective removal of all federal sales and excise taxes on diesel and gasoline fuel for farm use, an increase in the price range for domestic wheat for human consumption of between \$6 and \$11 per bushel, and a freeze on grain freight rates at current levels for the 1986-87 crop year.

Other links in the chain of initiatives serve longer term goals. For example, we have given farmers more flexible credit options through the shared risk mortgage program, and the community-based loan program. We have worked with the western provinces to improve crop insurance coverage for producers faced by successive years of losses.

We have strengthened the safety net for Canada's red meat producers by amending the Agricultural Stabilization Act and establishing the National Tripartite Stabilization Program. We introduced a five-year, \$1.5 billion long-term dairy program that will ensure greater stability for Canada's dairy farmers. Perhaps most important, the Government's economic

policies have led to lower interest rates for farmers. The rate on a five-year FCC mortgage is down from 14 per cent when we took office to 10.75 per cent today.

The Government has demonstrated its clear, high priority commitment to Canada's farmers. Agriculture was an important item at the First Ministers Conference. The Prime Minister (Mr. Mulroney) made agricultural subsidies his personal priority at the Tokyo Economic Summit. My colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer), brought together the world's main grain producers to discuss problems in the world grain market.

I have been working with my provincial counterparts toward a national agriculture policy.

The Prime Minister gave his personal commitment that legislation to establish farm debt review boards would be dealt with on a priority basis before the end of June. This legislation is before us today, and again the Government is keeping faith with Canadian farmers across the country.

The farm debt review legislation is a timely, important link in the Government's chain of agriculture initiatives. I strongly urge that every Member of the House support this initiative so that we can have this legislation in place, hopefully by five o'clock today.

Mr. Foster: Mr. Chairman, we are pleased to see this legislation before the House today. We had hoped that the legislation would have appeared last fall because on July 10, 1985, the Minister made a commitment that he would introduce legislation to the House. We are disappointed that it did not actually come to the House until the last two weeks of June. If the Minister accepts the amendments proposed by the Opposition, I am sure we can make great progress and perhaps even pass the Bill this afternoon. However, we will have to wait and see.

The Minister made a strong commitment last July 10 that he would introduce amendments to the Bankruptcy Act that would deal with severe cases where a judge would have the responsibility of making a decision.

While this legislation before the House today is much weaker, at least the Minister has finally taken action. It would be difficult to over-emphasize the serious financial difficulties facing agriculture in Canada. During the past two years the financial situation in Canadian agriculture has eroded. I wish that we could say there is a brighter future for agriculture—and I do not believe that farm commodity prices will remain as low as they are now—but current international events lead us to believe that we may face at least another year or two of very low commodity prices.

One need only look at the prospect of the initial prices for grain commodities being 20 per cent less this year to realize how serious the situation will be. It is difficult for anyone to estimate what will be the negative impact of the U.S. Farm Bill and the international commodity trade war.