

*Government Orders***GOVERNMENT ORDERS***[English]***FARM CREDIT CORPORATION**

## MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mayer that Bill C-95, an act to continue the Farm Credit Corporation and to repeal certain acts in consequence thereof, be read the third time and passed.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, when the House adjourned for the lunch hour I was talking about the Farm Credit Corporation Act at third reading of Bill C-95.

The bill makes a number of important improvements in the structure and organization of the Farm Credit Corporation. It gives it more independence and so on. The real acid test of whether it will make any difference in the back concessions of Canada will really depend on whether the government provides additional funding. This will be especially important when we look at the fact that this legislation will provide for funding beyond the farm gate for further processing and so on.

Clearly the facts of the matter are not very encouraging. If we look at the amount of funding and the amount of loans that are being provided by the government, we see they have dropped by some \$1.2 billion in the last five years. The government is not increasing the amount of funding available. In fact it has reduced it by almost 20 per cent over the past several years. Although the legislation as passed will be beneficial, the question is how the government will actually operate it.

I spent some time this morning pointing out that the net farm income is projected in this calendar year to drop by almost \$1 billion. The government has given no indication that it is going to provide the same level of support in this coming calendar year as it provided even in 1992. We saw the tremendous rallies in Lucknow, Ontario and Saskatoon in the first couple of months of this year, where tens of thousands of farmers rallied to protest the lack of action by the government.

• (1520)

It seems to me that the government's approach over these past several years has been to increase the support

to the industry, tied to the prospects or likelihood of a general election. In 1987-88, the support was very high for the grain industry which is facing an extremely difficult time because of the international grain wars that are going on between the European Community and the United States. In 1990-91 the support was reduced. Everything was set for a larger amount of funding in 1992 and that occurred, except it occurred when prices were still at a very low level and inclement weather meant that many thousands of farmers in northern parts of Saskatchewan and Ontario were not able to harvest the crops.

Although this legislation is a good structure, it is really permissive legislation that allows the government to do certain things and the Farm Credit Corporation to do certain things. Whether or not they will ever do it remains to be seen. Clearly the financial crisis facing rural Canada this year is absolutely devastating. In Saskatchewan, the net farm income is dropping from more than \$600 million to some \$238 million. Three or four years ago it was almost \$1 billion in that one province, which is so dependent on a healthy farm economy.

Last fall the government should have realized what an extremely bad situation there was. It was the worst for crops in southwestern Ontario and Ontario generally. The fall months were cold and wet and the corn crop could not be harvested. What did the government do? It fumbled around until about late September or early October trying to decide whether or not there would be an advance payment regime. This program, which the government wiped out three or four years ago was brought back within a matter of months and the interest free cash advances were provided on the first \$50,000 under that program. The government did not make up its mind for several months whether or not this program would be reinstated this year. It short-changed the program so there was only some \$41 million. The Ontario Corn Producers Association had to go from bank to bank trying to find somebody to fund the program which it operates on behalf of the Government of Canada.

On top of that, for a number of years in western Canada when there were difficulties harvesting wheat or a grain crop, it was possible through an Order in Council and special arrangement to have unthreshed grain paid