

Government Orders

In talking with my cousin and his wife, because now in agriculture farmers farm as couples, I have learned that being a farmer now is much more complex than it was when I grew up and used to go to my grandfather's farm and then my uncle's farm. A farmer now has to be many, many things.

First, he has to be an agriculturalist. There are new crops that he must keep up with, new pesticides, new weed control, new methods of farming. It is no longer the simple thing it used to be 50 years ago in Canada when you knew what crops you were going to plant, what you were going to do in the spring and the fall. Now you have to look at new agricultural methods.

Most of the more successful farmers have gone to agricultural college or use very heavily the services of Agriculture Canada to keep them up to date as agriculturalists. Farmers also have to be mechanics and equipment operators. No longer is the equipment simple.

I can remember assisting my uncle with the old traditional John Deere tractor. Heck, even I could be a John Deere tractor mechanic. Now, in talking with my cousin, I find that you have a \$75,000 or \$100,000 machine that is very, very complex, that has computer controlled parts. It takes a skilled equipment operator to run it and a great deal of skill to maintain it.

The farms, if they are to be viable, have machine shops that are the envy of the old traditional machine shops in small towns. This is increasingly necessary as the small towns are disappearing. On my grandfather's farm, it used to be that between that farm and Camrose there were three small towns. Now there is nothing. If there is a breakdown, you either have to be able to repair your equipment yourself or be prepared to go all the way to Camrose, Wetaskiwin or one of the other major centres to have equipment repaired. Farmers just cannot do that. In addition to being an agriculturalist, you must also be a mechanic and an equipment operator.

Most important, both Doug and Irma tell me that they have to be business people. Running farms is now a complicated business. They must deal with complicated issues like cash flow, debt, debt ratio and advance payments. They must have lines of credit. It has become a complex business enterprise.

One reason the big corporate farms are too frequently taking over is because they have the business expertise. Too often in Canada we have seen the family farm disappear, not because the family farmer is not a good agriculturalist or a good machinist, but because he does

not have the skills and the background in the business area.

This is what this bill is all about. This bill amends a piece of legislation that has allowed farmers to act as business people and to be able to deal with problems of debt and cash flow which are the major things that have got people into difficulty.

The government has said that there is an urgency to get this bill passed. I think it has already been mentioned that the urgency is of its own creation. There was a piece of legislation in place with which everybody was quite happy. It has been suspended and now there is an urgency to get this new piece of legislation through. It is true that farmers are now in a position where they are unable to get loans.

This bill simply has the net effect of doing away with the advance payments for crops, because if you can borrow and you have to pay interest, you have a line of credit at the bank and the bank will do it. It simply privatizes the whole exercise. It takes the government out of making the business part of farms economical in the sense that you are now a part of the total free market. If your line of credit is good at the bank, so be it. If your line of credit is a little shaky, maybe you will not get moneys advanced and then you are in the position where you cannot go ahead and put in your crops or do the necessary things to make your farm profitable. We have the government saying that there is an urgency while the farmers are saying, "Listen, the only urgency is that you created a problem".

• (1600)

One of the other things that I think is very significant in looking at the whole question of debt is that in 1971 there was about \$11 billion owed by farmers in Canada. This figure was up to \$18 billion as of 1986, which is a dramatic increase of 61 per cent. One has to remember that this was in a period when farms were viable economically. It was in one of our better periods for farms. We are now in a situation where there are problems with the financial viability of our farms.

Again, in 1987, the Senate report said that of the 22,500 farmers who borrowed money, there was a full 12 per cent who were in financial difficulty. In British Columbia, my home province, nearly one in 12 farmers who were borrowing were in financial difficulty. So it makes a vital difference to the business operation of the farm as to whether you are borrowing interest free, or whether you are borrowing an advance on your crops, non-interest free.