

load ocean-going vessels with salt and grain which comes in from Thunder Bay and other centres in western Ontario. The main square in Goderich has had 11 of its businesses close in the last 12 to 15 months.

The government has said that high interest rates are temporary. Farmers have tried to hang on, but interest rates have been too high for too long.

[*Translation*]

**The Acting Speaker (Mr. Ethier):** It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

[*English*]

#### AFTER RECESS

The House resumed at 8 p.m.

**Mr. Cardiff:** Mr. Speaker, earlier today the Minister of Agriculture (Mr. Whelan) said that the businesses which are hurting most are beef producers, which have a free market. That is probably true, but if we had a free international market, our beef would probably be selling in Toyko or somewhere at \$25 a pound. However, we do not have a free money market. As farmers we have no opportunity to borrow money except under the policies of this Liberal government. We have no choice but to borrow money under the present economic policy.

Another hon. member spoke briefly about the Farm Credit Corporation, its contribution to agriculture and how it has served. It probably has, but that was yesterday. This is today, we need changes to the Farm Credit Corporation and we need them now. We need them now because the corporation is outdated. It is like buying a tractor not equipped with hydraulics.

We know that Bill C-46, a bill to change the meat import law, is almost completed. I urge the Minister of Agriculture to deal with the current economic situation facing farmers in this country and to take this problem to the Standing Committee on Agriculture along with the Farm Credit Corporation legislation. These matters need immediate attention today because we are swiftly losing our farmers. Small bankruptcies usually produce large bankruptcies.

I would like hon. members to remember that agriculture serves us, consumers, at least three times a day.

[*Translation*]

**Mr. Marcel Dionne (Chicoutimi):** Mr. Speaker, I am also very pleased to speak on this subject because it concerns the Farm Credit Corporation, of which a study has been made during the last four years. As you probably know, the government tabled a bill in the House in the spring of 1979, which would have brought about important changes in the Farm Credit Corporation's program. Since then, two elections have

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held up the process considerably. Nevertheless, we shall soon be in a position to submit to the government the proposed amendments to the Farm Credit Act. Without wishing to anticipate on the discussions that are still going on, I would like to submit some of the general principles we are advocating.

Many of the proposed changes are aimed at improving the program's administration, but I wish to concentrate on one important change which will allow the Farm Credit Corporation to borrow money from the private sector. If Section 13 of the Farm Credit Act is amended, the Farm Credit Corporation, with the approval of the Minister of Finance, will be authorized to borrow part of its funds on the financial market. The Farm Credit Corporation would, however, continue to have access to the Consolidated Revenue Fund. Its capital would be increased to bring its loan capacity beyond its present level of \$3.5 billion. As of March 31, 1981, the Corporation was considered to have borrowed some \$3,300,000. If the total demand for long-term farm credit reaches \$2 billion during the next two years, as projected, the Farm Credit Corporation will have to make frequent use of the Consolidated Revenue Fund if it is to meet its share of the demand. Once it is authorized to borrow part of its funds on the private market, the Farm Credit Corporation will be able to reduce its demands on the Consolidated Revenue Fund, while being better able to meet demand for long-term credit, notwithstanding annual fluctuations.

An adequate supply of credit must be available to farmers in order to provide for rational development of the farming community and for the transfer of farms from one generation to the next. With the food industry, agriculture is responsible for 14 per cent of the actual domestic product in the industrial sector.

Do you know that Canadian consumers spend more than \$30 billion on food, and that this is only 18 per cent of their annual income? Mr. Speaker, I should like to point out the very considerable efficiency of the agricultural sector and its dynamic position at the world level. Comparing world figures, agriculture is one of Canada's most effective activity sectors. Young farmers who take over the family farm or who have to acquire more land to make their operations profitable must have access to long-term credit, in order to be able to compete with other potential buyers of land. The fact is that the cost of buying farmland is increasing from year to year. Figures from the Canada Farm Credit Corporation on land purchases show that the value of farmland has increased by 158.5 per cent between June 1972 and July 1978, and this trend is continuing. Farmers are obliged to invest more and more money in their operations. Farming is becoming more and more a matter of increased mechanization and economies of scale. Production costs have obliged farmers to spread over a longer period of time capital improvements, that should be done in the short term. Borrowing as an agent of Her Majesty, the Corporation