

Farm Loans

those areas where there are a few options, at least in the short term, for those involved in the red meat industry.

In the survey we have just finished compiling, 1,600 questionnaires were sent out. There were 473 people who responded. We found that 10.1 per cent of all farmers have their farms for sale—and this is dairy and all types of agricultural industries—in the whole of Bruce County. The important point is that in the red meat industry, those who have any type of beef or pork, an additional 30 per cent are considering selling their farms. That says something for the industry.

We have a number of other matters that have been tabulated, including land equities which have fallen, particularly if you include the inflation factor. These things could be expected. There are important matters in terms of marketing boards. I intend to share these with the minister in a written way as soon as I have them all put together.

The critical factor is that the extra \$50 million available for farm credit will not solve the problem. It helps in areas where the FCC feels it can make a loan because there is a viable operation. It will obviously only help for a year or two, will be reviewed, and there will again be the same problem. It looks at one area incompletely, but at least it is addressing it.

There is another area which, as the minister knows, has been discussed in a number of forums in the past several months. This is the area where people are now without equity. They could be called technically bankrupt. They are in a situation which continues to deteriorate. There is no answer. Some of these people might be criticized for being poor managers.

In his speech, the minister indicated his understanding of the fact that there needed to be a certain size operation in order to be competitive and productive in a way that the farmer could earn a living. The farm size grew as people were expanding their operation. They were doing things right, but they were caught in a squeeze because of changes in energy prices. A lot of farmers were concerned about that when the Conservative Party was in power. They are caught just as badly now, if not worse. They will have to spend \$4.50 an acre more over the next year. All of these things coming together have left these people in a situation which has to be looked at in a serious way.

There have been a number of suggestions. There are three basic solutions to this problem. One is akin to the farmers and creditors act introduced in the thirties. It is something that nobody likes to consider seriously if they do not have to, but it is a humane way of looking at the situation that exists today.

Something else that has been suggested with some historic precedent, as far as ARDA is concerned and what it does, is a kind of land banking. I read some of the comments about what happened in Saskatchewan. In order to address the problem, some answer that includes land banking and government ownership in the land for at least an interim period might be considered.

Finally, what could be considered, and would not be an awful lot different in terms of legislation or the way the minister and his department look at the situation, would be an

instance where a farmer was able to negotiate a settlement on his own behalf with a particular financial institution, and that institution writes off some of the amount. I know of one case where the bank is prepared to write off \$800,000. In spite of the fact this person has been a good manager and is respected in the community, he is in a situation now where he cannot go anywhere else to raise the money to resolve the situation. He cannot get the kind of support that would give confidence to another financial institution. The same financial institution that would negotiate the settlement is clearly not in the position where it wants to refinance this man. Therefore, that kind of negotiation would serve the purposes of the bank. It would certainly serve the purposes of individual farmers involved in this area. It could be supported by the government either through the Farm Credit Corporation or by government guarantees, either with or without the co-operation of the provincial government. It could answer one of the last problems remaining to be solved.

We are working through some of these matters, including marketing, which the minister knows is important, the longer-term financing of lower rates that he knows is important, and the rationalization of the whole red meat industry and whether that will be a specialty product in the future.

Others have mentioned many other points; I will not go into them. I look forward to speaking at committee stage of this bill in an attempt to understand what the minister has in mind. We know that the regulatory aspects of this bill have been expanded. I find it confusing when I read some of the minister's remarks in years gone by with regard to the amount of discretionary power which civil servants have and now see him giving them more power. I guess there is good news and bad news about that. If it speeds up the process and avoids legislative delay, that is good. However, I wonder whether he is going to change his mind about some of those things we talked about before.

I end my remarks with the hope that the minister will address that one area in agriculture that has been missed, to the detriment of the individual farmer who deserves his integrity and degree of dignity as he is trying to go through a painful readjustment, but one which will serve well the interests of the minister, his department and all Canadians.

Hon. Jake Epp (Provencher): Mr. Speaker, in rising to give some views on the bill before us to amend the Farm Credit Corporation legislation, one which would increase the loan capacity by \$50 million and increase the borrowing capacity to \$5.6 billion, the question that has to be asked very quickly is, can this bill be supported? The answer to that is yes. The second question is, will the bill do the job which the minister says it will? I think the answer to that is, at best, a qualified yes. I say at best.

● (1640)

All of us in the House, especially those of us who come from rural constituencies, believe that this is not only a rural Canadian problem but a Canadian problem. I think it is