

*Farm Debt Review Act*

I think the Minister was right when he said that most of the loans made in my riding were made at a time when there was a scarcity of funds in the Farm Credit Corporation. Some farmers who were in difficulty went to the Federal Business Development Bank instead of private institutions because the Federal Business Development Bank was not quite as strict as some of the private lending institutions, particularly the chartered banks.

The disadvantage has been that both the chartered banks and the Farm Credit Corporation have lowered their interest rates in practically all cases under the FCC, in a large number of cases with the private banks but, as I understand it, in almost no cases as it applies to the Federal Business Development Bank. That discrepancy between these two agencies of the Government is quite wide. I wanted the Minister to be further appraised of that point.

**Mr. Wise:** Mr. Chairman, there is no confusion. We are talking about the same agency.

**Mr. Riis:** Mr. Chairman, we are debating Clause 2 of Bill C-117 at report stage. I must say that I think Bill C-117 is misnamed. It says that it is "an Act to facilitate financial arrangements between farmers and their creditors". I think it should be "an Act for the banks to facilitate their financial arrangements between farmers and themselves". When one looks closely at Bill C-117, one notices that the main beneficiaries of this legislation are the banks of Canada. I want to take a moment or two to explain why I say that.

We all remember very clearly when in 1984 the present Minister of Agriculture and his Leader, the present Prime Minister, campaigned very strongly, promising the farmers and ranchers of Canada that they would be introducing debt review boards with teeth. They said there would be none of this wimpy stuff with debt review boards only to discuss the problem. They were tough guys on the side of farmers and ranchers and they were going to put teeth in legislation. I know that my friend the Member for Cariboo-Chilcotin felt very strongly that the country needed this. I guess that is why we are a little disappointed today.

I have an article written by John Miner in *The Leader Post* of Regina. John Miner is, of course, a reputable farm finance writer. The article reads:

Federal Agriculture Minister John Wise said last year that the government will introduce Farmers' Creditors Arrangement legislation which would allow debt writedowns after a third party reviews disputes between farmers and lenders.

That is a nice tough statement. It is time for that. The article goes on to indicate that a spokesman for the Minister's office said that the Minister remains on the record in support of legislation with teeth. The article says that the Minister has met with Royal Bank officials and his position has not changed.

It seems that the position has now changed. After perhaps having a number of meetings with Royal Bank officials, the Minister's mind has changed. He now says that we cannot

proceed with this legislation because the banks do not like it. With all due respect to my friends in the Royal Bank who have discussed the matter with Members of Parliament at some length, they said that they were concerned about the Minister of Agriculture bringing in legislation with teeth and wanted to lobby against it. They have obviously been successful. It is obvious that they got through and we now have this rather limp-wristed legislation, Bill C-117.

I must give the Government credit for being consistent. There have been many opportunities for it to come down strongly in favour of the family farm during times of debt crisis if it really was on the side of the farmer and rancher. I need not elaborate on the nature of the debt crisis. That is clearly documented in Agriculture Canada statistics, labour statistics and others. We all understand the farm debt situation.

If the Government was serious about supporting the family farm during these difficult times, it had the opportunity to do so when we reviewed the Bank Act. When there was an opportunity to introduce measures through the Bank Act, there was no support from the Conservatives and Liberals. I think the Bank Act was actually written by the banks. I think bankers send in drafters to draft legislation for their advantage. When it came time to vote on that Act, only one group of Parliamentarians stood in their place and said that it was not in the best interests of the farmers and bankers of the country, that was the New Democratic Party. The Conservatives voted with the Government in favour of the banks.

**Mr. Hovdebo:** You forgot Gordon Taylor.

**Mr. Riis:** That is right. There were a couple of individuals who had the courage of their conviction. They said that someone had to stand up for farmers alongside the New Democrats. I must say there were two or three people who did that.

That was the first missed opportunity, Mr. Chairman. There was then the opportunity to introduce bankruptcy legislation which would certainly have helped the farming community. The Liberals promised that for years and years, perhaps even decades. Nothing ever happened. The will was not there. It was a smokescreen. The Government then changed and the Conservatives said that they would bring in bankruptcy legislation. We have waited nearly two years and it is not yet before us. If the will was there, they could introduce it and pass it today. However, it is not here.

We have now missed another opportunity. I applaud the Minister with two fingers for bringing in something before we recess for the summer which will bring farmers together with bankers and others to see if they can negotiate their way out of a financial crisis. I suppose this is marginally better than nothing. We give credit where credit is due.

There are between 8,000 and 10,000 farmers and ranchers waiting for this legislation. That reflects the reality of the debt crisis in the country. Let us hope that this legislation will at