

Supply

The Minister of Agriculture (Mr. Wise) introduced a farm credit measure early this year; it will cost the Government approximately \$16 million to lower interest rates which the previous Government allowed to rise to 16.75 per cent. They are now at 12.75 per cent. That is a significant indication of the awareness of the Minister of Agriculture and the Government of the serious impact that high interest rates have on agricultural producers and of the necessity of bringing those interest rates down to levels that farm producers can cope with.

The Member spoke about the exportation by the EEC of subsidized beef into this country. He neglected to mention that the previous Government allowed that level to rise to above 48 million pounds last year. That represented a very significant impact. The Member neglected to mention those things, Mr. Speaker. Does he recognize that those measures have been taken? We all know that the agricultural community is under severe pressure because of the cost price squeeze. Does he recognize that the directions which have been taken indicate an understanding of that problem and a real desire and intent on the part of the Government to deal with it as effectively as possible?

● (1610)

Mr. Foster: Mr. Speaker, the Government reduced the excise tax on gasoline. It also increased the tax on the petroleum compensation charge. This affects vehicles coming to and from the farm. We are awaiting for the other shoe to drop with respect to the Western Accord, to see whether or not there will be an excise tax increase. There has been no indication from the Minister of Finance as yet as to whether that excise tax increase will be placed on farm fuels. However, we do know that major farm service charges are being imposed on farmers for inspection and grading of farm crops and red meat. Although we have not heard the final figure, hopefully it will be something less than the \$32 million estimated.

I am glad the Hon. Member raised the question of the Farm Credit Corporation. In fact, the federal Liberal Government had a budget last year of some \$825 million in funds available in the FCC both from the Consolidated Revenue Fund and borrowings in public markets. Since approximately \$575 million of those available funds were not utilized, FCC officials recommended to the Minister that farm loans over 14 per cent be written down to 12-3/4 per cent, utilizing those funds which had been borrowed by the FCC under the Liberal Government which were not going to be used for farm loans. In my opinion it cost the Government very little because the funds had already been made available to the FCC and had benefitted those 5,600 farmers. Of course, there were some 6,800 farmers with loans from 13 per cent to 14 per cent that were not written down.

It is particularly disturbing that the funds from the Consolidated Revenue Fund allocated for the Farm Credit Corpo-

ration were reduced to \$90 million as a result of the estimates of the Farm Credit Corporation and the Government of Canada that were tabled this year. This suggests that the Government is not planning any massive assistance to the agricultural community this year in the form of adopting the report of the Standing Committee on Finance, Trade and Economic Affairs or other recommendations.

With respect to the EEC beef, the agricultural community is most disturbed by the fact that after 3 months the Government imposed a quota of 5.9 million pounds on the EEC for 1985. Clearly, they were using subsidized beef and apparently will be doing so again. It appears that the Government will increase that quota to 23.5 million pounds. I am told by the Canadian Cattlemen's Association that this will amount to at least the equivalent of a thousand carcasses a week coming on to the market.

That is not the only increase. The quota from the United States will be increased by some 44 million pounds, up to 65 million pounds. I understand that the Nicaraguan quota level will be increased from 600,000 pounds to nine million pounds. Therefore, our total imports will be well over 215 million pounds when one considers other countries. This creates possible problems with Australia, New Zealand and other been trading partners. The EEC beef and the pork countervail is having a devastating effect on our red meat industry for both hogs and beef.

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BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I want to interrupt proceedings with a point of order in relation to business of the House. I rise to advise the House that I designate this coming Thursday as an allotted day.

[*Translation*]

Mr. Malépart: I rise on a point of order Mr. Speaker. Could I put a question to the Government House leader?

The Acting Speaker (Mr. Charest): No. You do so after I have read the question to be raised at the time of adjournment.

**PROCEEDINGS ON ADJOURNMENT
MOTION**

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions