

Farm Debt Review Act

farmers and their creditors, be now read the second time and referred to a legislative committee.

He said: Mr. Speaker, because of the urgency of this legislation I seek the co-operation of my colleagues in the two opposition Parties. I would be quite happy to forgo my speech at second reading and move directly to Committee of the Whole. We had a number of discussions about certain aspects of this legislation and, earlier this afternoon, with respect to some amendments put forward by the Hon. Member for Algoma (Mr. Foster). According to the advice I have from the Table officers, most of those amendments, if not all, are in order. I am not suggesting that we would accept all of them, but there are three amendments which seem to be quite acceptable. I have not had an opportunity as yet to study in detail one of the two amendments put forward by the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), the official spokesperson in this area for the NDP. Perhaps later this afternoon I will have that opportunity.

Mr. Maurice Foster (Algoma): Mr. Speaker, we are willing to move to Committee of the Whole. We have a number of points we want to make but we can do it then. This matter is of urgent importance to the farmers of Canada, so we will agree.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, because a number of amendments have been proposed for Committee of the Whole, we can forgo second reading speeches. We have some grave reservations about this legislation, which we hope to correct partially through amendments.

The basic thrust of the Bill is less than adequate right now, but we hope to make some improvements through amendments which would permit the farm organizations, the provinces, the lenders, and the users of this legislation to take advantage of a review process to begin sometime during the winter. The Government has chosen to bring this legislation forward in such a short period of time that we hope it will see fit to adopt the amendments I have proposed which would permit a sort of review after the fact. Witnesses could then be heard and could make presentations designed to improve and strengthen the Bill, at a later date. I am assuming we will have approval from the Government and I will therefore go with that understanding into Committee of the Whole.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Charest in the Chair.

On Clause 2—*Definitions*

Mr. Wise: Mr. Chairman, I appreciate the co-operation which has been extended to me by both the Hon. Member for Algoma and the Hon. Member for Humboldt—Lake Centre. I think it would be helpful at this time if I took a few moments

to give the House a brief explanation of the details of Bill C-117.

● (1500)

The Farm Debt Review Act comes before this House at a very difficult time in Canada's farm industry. I regret to say that Canadian farmers are faced with some of the toughest times in the last 50 years. Many of our farm families have endured great hardships and personal loss, and many more continue to struggle.

I know that every Member of this House, without exception, would prefer that there be no need to introduce legislation of this kind. All of us, and certainly I personally, would prefer a situation where every producer in this country was operating profitably, and was operating a very strong and viable operation in the country, regardless of province or region.

As I know, and as all Members of the House know, this is just simply not the case. This responsible piece of legislation addresses the reality of the situation. How did our farm community get into these difficulties? There were a number of contributing factors. We know, for instance, that many farmers, particularly young farmers in this country, borrowed to expand their operation during the 1970s. They did so with the expectation that world demand for their products would increase and that, indeed, prices would continue to rise. Those predictions, unfortunately, proved wrong.

Many of the farmers who expanded rapidly during the 1970s now find themselves in trouble. Some producers are also victims of interest rates that skyrocketed in the early 1980s from a level of 10 per cent to a high of some 24 per cent. Of course, since September, 1984, when this Government took office, interest rates have taken a net drop of nearly four percentage points. This represents an annual saving to the farm community of roughly \$500 million. Regrettably, high credit costs in earlier years inflicted very deep wounds. Many farmers have not recovered. Low world prices for many agricultural commodities are also taking a toll on farmers. These problems must be resolved in the international forum. Indeed, this Government is pursuing every possible opportunity to represent the interests of Canadian farmers in this regard.

So a number of factors, both past and present, have contributed to a situation in this country where far too many farmers are on the brink of insolvency. The Act before us today is aimed at helping as many of these farmers as possible to remain in business.

This program has been in the works for a number of months. During that time I have taken the opportunity to consult farm groups and the provinces. The process, of course, took a little while. The result is, I believe, a piece of legislation that will serve the farm community well.

Our intention is to provide for the establishment of at least one farm debt review board in each of the provinces. However, the Act is written so that if more boards are required in any province the legislation will allow that to take place.