is why there is a great deal of unease in the country in this regard.

We have the crisis with the Farm Credit Corporation. Last November or December the Minister of Agriculture (Mr. Wise) announced a moratorium on FCC foreclosures, and said he was going to set up debt review boards as a pilot project. That pilot project has gradually faded away. The people who worked on it tell me there was a great problem with that concept, not because the people involved did not work hard, because they did, but because there was no support from the Minister of Agriculture. He refused to give the FCC the flexibility to make it work, or bring in legislation so it could be more flexible. So we will look with great interest at what the Minister decides to do about that concept, whether he will let it die, or will give the FCC the flexibility it requires.

When we look at the White Paper brought out in January by the Minister of Finance (Mr. Wilson) we can really see the policy of this Government with regard to agriculture. Clearly there was no sympathy in that document for the farmers of this country. The paper was written as though the Tory promises on taxation had never been made. Certainly they were never mentioned in the Minister's paper. In fact, it portrayed the agricultural community as being very well off. It said they earned twice as much as the average Canadian but paid only one-quarter as much taxes, suggesting that the farmers of this country are not paying their fair share. It went on to say that the average farmer is seven or eight times as well off as the average Canadian, quoting very questionable figures. The response of the agricultural community was swift and violent. Every farm organization in the country denounced the paper as unrealistic and unfair.

● (1600)

If, before issuing that paper, the Minister of Finance (Mr. Wilson) had taken time to look at the Farm Credit Corporation report of last November, in which the desperate financial situation of many young farmers in our country was set out, he would never have allowed it. If he had read that report, he would have seen that approximately 17 per cent of our farmers are in serious financial difficulty and that another 7 or 8 per cent are in medium stress situations. They are facing very difficult times.

When the Committee on Finance, Trade and Economic Affairs reported on that paper of the Minister of Finance it completely rejected his view of the agricultural situation in the country. It outlined major recommendations for a program to set aside debt by the provision of lower interest rates for a good share of the 17 per cent or 39,000 farmers who face serious financial difficulty. We are waiting. We hope that after having had his white paper on financial matters of the farming community rejected the Minister of Finance will adopt some of the recommendations of the Committee on Finance, Trade and Economic Affairs. It proposed a program that would require nearly $100 million of financial aid. We will have to wait until May 23 to see whether the Government is prepared to accept the recommendation of that committee. It proposes that up to $300,000 be provided through the Farm Credit Corporation at an interest rate of 8 per cent over a five year period and that the interest paid by the individual would not be tax deductible. Therefore, this would clearly be for the benefit of those who are in serious financial difficulties.

In the FCC report of last November the criteria used to establish serious financial difficulty was, equity of less than 15 per cent, payments to service debt of over 40 per cent, or spending more on borrowings than that being put back in capital expenditures.

Looking at the farm situation which has developed since last November when that survey was carried out, we see a much darker and gloomier picture. Let us look at some of the other problems facing agriculture. There has been the imposition of countervail of 5.3 cents a pound on hogs being sold into the United States. That has the devastating impact of a 10 per cent or 12 per cent reduction in price. It is estimated that it is already costing millions and millions of dollars every week.

As well, the EEC dumped 51 million pounds of subsidized Irish beef into Canada last year. It took the Government three and one-half months to make a decision to impose quotas. Now that the quotas have been imposed, the Government is backing off. We could not get a straight answer from the Minister for International Trade (Mr. Kelleher) today. Clearly, the Minister intends to increase that quota from 5.9 million pounds to 23.5 million pounds. That represents 1,000 carcasses of beef per week, subsidized at up to 48 cents a pound coming onto the Canadian market during the coming year. We will hear the final word on that later, but I do not think there is any question in anyone's mind as to whether or not the Government has in fact capitulated on that.

That is not the end of the EEC beef story. Clearly this is a secret agreement, but it will eventually be made public. The quota of 21 million pounds for the United States is being increased to 65 million pounds. Nicaragua's quota is being increased from 600,000 pounds to nine million pounds. These are all very adverse impacts on the Canadian agricultural community in the coming year.

Mr. Gurbin: Mr. Speaker, in the Hon. Member's comments he forgot to mention several significant factors. When discussing the agricultural sector, which has been under pressure for a long time, it is important to understand the impact which the Government has had in the short time it has had to deal with the problems which exist. Is the Hon. Member aware of the $100 million tax relief which the Minister of Finance (Mr. Wilson) indicated last November for the farm fuel sector? That represents very nearly $100 million in tax relief to agricultural users.