

### *Government Orders*

Organization. The venture pioneers the process of the co-operative approach to improving the hog industry in Saskatchewan.

Farm members will be provided with superior animals that will increase the productive capacity of their existing operations and improve the profitability of their hog operations. The co-operative will be the first to introduce the Dalland hog to North America. As well it will be the first artificial insemination facility for hog semen in western Canada.

The co-operative will create spinoff employment and stabilize the incomes of farm members. Those in the Kipling area appreciated the opportunity to become partners with the agricultural sector in making sure the program moved forward.

For example, the distribution of semen and the marketing of breeding animals require transportation. The needs of transportation will enhance the use of one farm member's existing trucking equipment, creating additional returns for him. The co-operative will require production, management and clerical personnel that will be supplied by farm families to enhance their farm incomes and to improve individual farm returns.

The co-operative will be more than a primary producer of farm products. As a group they will market a product of high value to the benefit of their members. Their natural geographic advantage and lower cost of production make their product competitive in the North American market. This venture pioneers an innovative process of efficiently distributing new genetics to the North American hog industry and is very important to my riding.

None of this would have been possible if FIMCLA had not been there to guarantee the loans to meet their needs and to meet their new ideas, the new and better ways of doing things. With due diligence and proper assessment techniques, FIMCLA guarantees do not have to carry a high amount of risk. The past record shows that. Over the last 25 years net losses under the act have approximated 1 per cent of total loans guaranteed. In the terrible years during the 1980s when interest rates were high, low farm income and land devaluation caused more defaults than usual. The program is an excellent one. This is why the current legislation is required. It is a safe and inexpensive way for the government to help farmers help themselves in changing times.

• (1605)

As I drive around my riding talking with people I realize these sincere, bright, hard working individuals have hundreds of good ideas. Given a start, they could go far on their own. We need only to open the door for them.

Furthermore, the amendment includes measures to offset the natural extra expenses that would come with an increase in the cap. The amount of offsetting needed is small. For example, an increase of only one-quarter of 1 per cent in the registration fee

would sufficiently offset the extra costs and maintain the current level of liability for at least five years. For an average loan of \$27,000 it would be \$64.

By not proceeding with the suggested amendment, lenders would have to stop and discontinue programs once the cap reached \$1.5 billion. It would be irresponsible. Can we imagine saying no to the co-operatives in Saskatchewan I just mentioned? Can we imagine telling them that we understand the project will stabilize income, create employment and enhance Canada's exports but that some arbitrary cap says they cannot continue?

That we must increase the cap is positive. It means the program is doing well. More people are finding out about its successes and are deciding to use it. It makes possible what once seemed impossible for them.

With sustained lower interest rates and the improved farm debt situation approximately 600 new designated lenders and better marketing of the program have contributed to the success of FIMCLA. In simple terms, the aggregate limit can be increased at little or no cost to government and should satisfy program demand for the next 10 years.

This positive measure is supported by the agri-food sector and commercial lenders alike. The program has become increasingly important to rural lenders such as credit unions that offer credit to farm producers. The Canadian Bankers Association and Credit Union Central in Saskatchewan support the proposed increase. The Canadian Federation of Agriculture and other major farm groups have been consulted and support the proposed amendment. It is inexpensive and supports the agri-food sector.

Taxpayers are well served. Improvements made under the program contribute to the strength of Canada's economy and decrease dependency on government subsidies.

I ask members to support Bill C-75. By increasing the aggregate principal amount of loans that can be guaranteed, the program will continue to be offered to farmers and co-operatives and will make a difference.

**Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.):** Mr. Speaker, I have a couple of comments for the hon. member for Souris—Moose Mountain. We are seeing a classic case of the government trying to close the door after the horse has escaped. I get back to what I said a few moments ago. I would like the member to comment on my idea.

Why could the government not support the idea of consolidating the three or four federal programs to offer lending assistance to the agricultural industry?

It is well known that the Farm Credit Corporation exists. Why do we not remove the other two bureaucracies, the Small