

*Adjournment Debate*

in competing for markets, and prices have remained low. Reference is often made to unfair trade practices such as production subsidies and dumping, which occurs in most countries, including Canada. There has been a major dispute about steel trade between the United States and the Common Market. Many other trade conflicts have been occurring on the world market.

Revenue Canada has become twice as active in monitoring steel imports. A number of cases of dumping have been revealed in Canada. Revenue Canada is now proceeding with an investigation. Although dumping is forbidden, Canada cannot afford to take an overly protectionist stance as far as the steel trade is concerned. Canada exports a host of other products besides steel, especially mineral products.

In the specific case of the Adams Mine, production ceased at the beginning of May and is to resume on August 1. Subsequently, the Sherman Mine is to close down temporarily until October 31. Both mines belong to Dofasco, which has organized production in its mines in terms of the ore requirements of its steel mills in Hamilton. Although there are temporary shutdowns in the mining industry, Dofasco expects to be operating the Adams Mine in 1983 at about 80 per cent of its normal capacity in other words, at the same production level as in 1982.

There is some solid indication that the demand for steel in the western world in 1983 is slowly improving. This should result in a stronger demand for iron ore towards the end of 1983 and in far better prospects for the iron ore market in 1984.

● (2315)

[English]

FARM CREDIT CORPORATION—PLIGHT OF FARMERS WITH HIGH INTEREST RATE LOANS. (B) DEVELOPMENT OF AGRI-BOND PROGRAM

**Mr. G. M. Gurbin (Bruce-Grey):** Mr. Speaker, we would all like to see the Chair and others have a rest after this day. I am quite prepared to reduce my intervention as long as the Parliamentary Secretary does not use up the extra time at the other end in his response to me. I think we are all agreed that we should keep it short.

On June 16 I had a response from the Minister of Agriculture (Mr. Whelan) to a question posed to him regarding the Farm Credit Corporation and rates that were being applied at 16¾ per cent. Farmers were locked in when the rates were that high. The farmers locked into those rates were having a great

deal of difficulty trying to renegotiate or refinance at lower rates. The rate today of the Farm Credit Corporation is 12¾ per cent.

There are several points that need to be made, and I will not try to get into the agri-bond issue tonight. That was a supplementary question. The basic point is that this is a Crown corporation under the jurisdiction of the federal Government. The interest rates were being charged for approximately half a year at 16¾ per cent at a time when many people could not get financing in other areas. Indeed, the interest rates were very high at the regular lending institutions at that time and 16¾ per cent looked better than some others. That was fine, but in many cases those people were under distress. They were having difficulty refinancing. They were having difficulty making ends meet. These people are now stuck at those rates for a period of five or ten years, or whatever, depending on what happens to the rates when they have to refinance. They have to carry that 16¾ per cent, but are unable to do so.

There should be a mechanism, because it is a federal Crown corporation, whereby those people can refinance with some degree of certainty, even if they have to use another institution as intermediaries. There should be some mechanism so that the Farm Credit Corporation can give them the assurance that they will take them back as customers and allow them to carry on at the lower rates. Otherwise they too will find themselves in a distress situation and this will put an extra drain on the federal treasury. In fact, it will bring into question its viability. I think this is a reasonable request. Even though the Minister of Agriculture perhaps does not remember saying it, he said he would have an answer in a month. I can quote from *Hansard* for April 26 where he said precisely that. This is a reasonable and important request, something the Government should and hopefully will pay attention to.

[Translation]

**Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture):** Mr. Speaker, I will try to be brief and co-operate with the Hon. Member for Bruce-Grey (Mr. Gurbin) by saying that during the period when interest rates reached unprecedented levels, namely from April 1981 to December 1982, the Farm Credit Corporation of Canada made loans to farmers at rates as high as 16.75 per cent for terms of up to 30 years. The Farm Credit Corporation of Canada borrowed money from the CRF at 15.75 per cent. Since the Corporation's interest rates dropped to 12.75 per cent on April 1, 1983, it has come under strong pressure to lower its rates on unpaid loans at high rates. However, its margin of profit is historically limited to 1 per cent and the Farm Credit Corporation has been unable to accumulate enough undistributed profits to be in a position to reduce the high interest rates on the loans which have been made to eligible borrowers. The Minister of Agriculture (Mr. Whelan)