

Farm Improvement Loans Act

to the Farm Improvement Loans Act and the Farm Credit Corporation Act, to deal with these situations which I foresee developing here and now in this country.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I too have a few remarks to make about Bill C-27, to amend the Farm Improvement Loans Act. The purpose of the legislation, which was first enacted in 1945, and the value of it and the use it has been put to since, have been covered by previous speakers and I do not want to prolong this debate by going over them but I think there are a few points that need to be made in connection with the bill.

● (1520)

Farmers today are facing increased costs. The same is true of many other segments of our economy. Farmers today need money in order to operate more than they ever needed it before. They need money for fuel, for fertilizer, repairs to machinery and for labour, in order to get a crop into the ground and then to harvest it. Capital has become a greater factor in the time that I have been part of the farming community.

Farm improvement loans have been very useful to me in the past. The first loan I ever had was a farm improvement loan. At that time the interest rate was 5 per cent and the maximum amount was \$7,500. In 25 years the limit has reached \$100,000 and the rate is set at no more than one per cent above the prime rate. I do not consider myself ancient or over the hill, Mr. Speaker, but in the time I have been farming things have changed dramatically. This bill proposes to increase the loan limit from \$75,000 to \$100,000, the increase being over three times the amount available under the Farm Improvement Loans Act when I first sought a loan.

Financing has become a very important part of the farming operation so the bill is very appropriate in that it will help deal with some of the problems that farmers have in coping with increasing costs. Not only have input costs gone up but so have capital costs, machinery costs, and land prices. The increased limit is therefore welcomed.

I could give the House some figures to illustrate how costs have risen in the past couple of years. In the calendar year 1978 they increased 18.7 per cent over 1977 for the country as a whole. The increase for the year 1979 over 1978 was 15.5 per cent. This increase of 15 per cent to 20 per cent per annum shows that there will be a need for increased borrowings of the same magnitude if farmers are to be able to stay in business.

This bill is very relevant to the large rural riding of Portage-Marquette in Manitoba which I represent, Mr. Speaker. For Manitoba farmers the increase in operating expenses for 1978 over 1977 was 17.4 per cent, and for 1979 over 1978 the increase was 14.1 per cent. These are substantial increases in farm costs, Mr. Speaker.

I see that the minister responsible for the Canadian Wheat Board is in the House, Mr. Speaker. I was somewhat disappointed that the initial payment was not set higher. True, it is 25 cents per bushel more than it was a year ago. Very soon

after the initial payment was set a year ago it was increased by 50 cents per bushel, so really the initial payment announced some time ago for the coming crop year is less than farmers are receiving as the initial payment in the current crop year. That is very distressing in light of the way current costs have increased. There could be a good case for increasing the initial payment given the fact that world prices for grain have, if anything, increased. Prices are certainly not any less now than they were a year ago when the initial price was set at 25 cents per bushel higher than now. I would urge the minister to look at this seriously and as quickly as he possibly can.

Mr. Whelan: He is, and he is very much aware of it.

Mr. Mayer: I hear the Minister of Agriculture (Mr. Whelan) commenting that he is doing that. I hope the minister will give his support to the Minister of Transport (Mr. Pepin) who is responsible in this chamber for the Canadian Wheat Board, in order to see that such an increase is allowed.

Mr. Whelan: It will be done.

Mr. Mayer: If that is the case it is certainly welcome news, and the sooner it is announced, the better. It is one thing to increase loan guarantees through a bill such as this, and it is certainly needed, but farmers need more income. If they can be assured of a higher initial price, that is certainly welcome news. If that is the case, then the sooner the announcement is made the better, and I will look forward to it.

While I have the attention of the Minister of Agriculture I would urge him to bring forward at the earliest opportunity the meat import law referred to in the Speech from the Throne. I do not know whether the minister remembers, but my first contact with him was some three or four years ago on that very issue. It was one cold winter evening in Winnipeg. The beef industry in this country was going through some very bad times in part because Australia and New Zealand were literally clobbering our producers with excess imports. I might say that at that time the minister was not very receptive to our pleas that he control the imports. He had the vehicle to do so. He did not need a beef import law but could have done it under the Export and Import Permits Act. In fact he ended up doing that some time later using the Export and Import Permits Act. Before the restriction was imposed on the massive quantities of beef that the Oceanic countries were sending to Canada, some serious damage was inflicted upon the beef industry. Indeed, the industry has not fully recovered yet from the damage done by those massive imports in 1975-76. I would urge the minister to bring forward legislation as quickly as he can so that our producers can be assured of a future for the beef industry in this country.

This is the type of legislation that farmers need to enable them to stay in business without having to borrow so much money. It is one thing to borrow money and another to pay it back. What we need, in order to pay it back, is a means of generating income. A program to increase the initial payment for wheat which would let producers know that they will receive at least as much as they have this year in their initial