

*Farm Debt Review Act*

the Conservative Government took office. I just cannot let that statement go by unchallenged. Not long ago I had the occasion to visit Washington and to take part in a very elaborate study of the U.S. Farm Bill. I draw to the attention of the Minister a study by Chase Econometrics which was conducted for the Bank of Montreal. It refers to the effects of the U.S. Farm Bill, which is more appropriately called the Food Security Act, 1985. At this point I must say that the Minister's comments about economic conditions having improved were not totally accurate. What looms on the horizon for Canadian farmers as a result of the U.S. Farm Bill is indeed very difficult days, months, and years ahead.

I know the Minister will want to speak with his colleague, the Minister for International Trade, and ask him why the lobbying, if any was done in Washington prior to the passage of the U.S. Farm Bill, was not more effective. I know the Minister of Agriculture will want to pose such questions to the Minister for International Trade.

I should like to refer to a press release of the Bank of Montreal after the study of the U.S. Farm Bill had been released. It indicated that the price of feed grains would lower by approximately 20 per cent per year and that there would be long-term effects upon the export of Canadian products. As well it indicated that the price of U.S. grain would decline, lowering grain prices in Canada and elsewhere. Further, it indicated that with large supplies and declining prices, grain importers would continue to buy hand to mouth, and that lower grain prices would be a mixed blessing for livestock producers. The reason for this is the provision in the U.S. Farm Bill respecting whole herd buy out. This means that a large number of cows in the United States are presently being slaughtered and added to the beef market, which will have the effect of depressing our beef prices.

The Minister knows all these things, and I hope he will want to correct the record. He should not indicate that in fact everything is rosy since he has assumed office. I am sure he will want to indicate to the Minister for International Trade that he should have done better lobbying in Washington before the passage of the Bill respecting the Food Security Act, 1985. As I said previously, its effects will be quite devastating for Canadian farmers.

I would be remiss in my remarks if I did not congratulate the Hon. Member for Algoma on his fine work. He presented a number of amendments which we will be reviewing shortly. He presented a Bill which twisted the Minister's arm and caused him to bring in his own Bill. I congratulate the Hon. Member for Algoma for having held the Minister of Agriculture accountable for a promise which is contained in the document entitled "338 Tory Promises". I am referring to the promise which was made on July 26, 1984 in Sherbrooke. I am sure you will remember that promise, Mr. Speaker, which can be found on page 3 of the press release of the then Leader of the Opposition. It indicated that farm finance review boards would be established to act as a financial referee and negotiator between farmers and lenders.

As I said, I am glad the Hon. Member for Algoma presented a Bill which in turn acted as a catalyst and ensured that the Minister of Agriculture presented his own Bill.

● (1600)

I have a couple of questions I would like to pose to the Minister of Agriculture. I hope he is able to answer them. I am concerned about the role of the Federal Business Development Bank in farm loans. We know that there have been interest rate reductions on existing loans at the Farm Credit Corporation. I have many farmers in my riding who are financed by the Federal Business Development Bank. To see two farmers side by side, both having borrowed the same amount of money, both financed by agencies of the Government of Canada, one being the Farm Credit Corporation and one being the Federal Business Development Bank, and to see one where interest rates went down by 6 per cent or 7 per cent while the other continued to be financed at 20 per cent and 21 per cent is abnormal.

Does the Minister intend to do anything, together with his colleagues, for farmers financed by the Federal Business Development Bank? More particularly, just how will this legislation apply to the FBDB? Will it apply in the same way as it does to other banks? It is very important for the Minister to answer that question and thereby send a clear signal not only to farmers but to the Federal Business Development Bank, an agency of the Government of Canada, to act in a way consistent with the policies of the Government.

I give the Minister of Agriculture credit for his announcement concerning the Farm Credit Corporation. I am sure he was trying to send a message at that time that that was the policy of agencies of the Government lending to farmers, but another parallel agency, the FDBD did not listen to the Minister's message at all.

I have a farmer in my riding—and I intend to discuss the name of the farmer with the Minister privately—who was considerably behind in his Federal Business Development Bank repayments. The farmer yesterday, a day ago as we are speaking now, June 19, heard from the FBDB that it had sold his farm and that the date of possession will be July 1. Will this process apply to that individual case? The FDBD sold his farm at a time when the farmer was trying to negotiate getting money elsewhere and at the time when I had personal discussions with another person who was also trying to find money for the farmer. The FBDB did not listen to the message about lowering its interest rates.

It is also interesting, Mr. Chairman, that the FBDB did not listen to the moratorium message of the Minister of Agriculture who placed that moratorium on the FCC, an agency of the Government on farm foreclosures. Why does that process not hold true for FBDB, another agency of the Government of Canada? That is inconsistent. The farm was sold yesterday in my riding by the Federal Business Development Bank, not having lowered its interest rate and having sold the farm at a