CLA. However, Saskatchewan is still the biggest user of the program.

This new growth has caused the government to propose this amendment to increase the cap. If we do not, as I said before, the program could reach its $1.5 billion cap in June of this year and then we would have to suspend the program for about two years.

In preparation for this amendment we have consulted with the people who are most closely involved in the FIMCLA program, including major farm organizations like the Canadian Federation of Agriculture as well as commercial lenders.

I would also like to address the inevitable question of why we are increasing the cap on this program by $1.5 billion at a time of government restraint. I want to make clear this amendment does not in any way represent $1.5 billion in new spending. Over the last 30 years the program costs have averaged slightly over $1 million a year. It is a loan guarantee, not a loan of the actual money.

The 25–year net loss rate under FIMCLA has been about 1 per cent. If we look at other government programs it shows the dedication to repaying loans and the low loss in those loans in the agricultural community over the years, a record it can be proud of. This loss was a bit higher in the 1980s for obvious reasons but we expect it now to stay at less than 1 per cent in the foreseeable future.

The government has made a commitment to provide farmers with the tools they need. FIMCLA is one such tool, an inexpensive tool that offers a considerable amount of assistance to the agri–food sector. It supports adaptation, diversification and encourages regional development and job creation.

The government has recently increased the cap on small business loans to a total of $12 billion for the same reason. Here again we are asking for the assistance to increase the cap on the Farm Improvement and Marketing Co–operatives Loans Act.

At this time I urge all members in the House to support the amendment which will double the cap on loans under the Farm Improvement and Marketing Co–operatives Loans Act and enable this low cost support to farmers to continue. I look forward to the support of all members in the House.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, Bill C–75, which we are debating this afternoon, is neither very long nor complex. It may, in fact, be summarized in a single, very simple, clause, which provides that the maximum of guaranteed loans will increase from $1.5 billion to $3 billion.

As my colleague, the Parliamentary Secretary to the Minister of Agriculture and Agri–food, has just pointed out, this refers merely to loan guarantees. The government is not injecting an additional $3 billion or $1.5 billion into the agricultural sector—far from it. Bill C–75 is therefore simply an amendment to the Farm Improvement and Marketing Cooperatives Loans Act.

• (1345)

I must say that, when I read the title of this bill, I thought it was rather long. Like the Prime Minister, I counted the words. There are 16 words in the name of the act. There could, in my opinion, have been a lot fewer.

The amendment, therefore, is aimed at doubling the amount and the number of loans guaranteed under the terms of this act. The amendment simply increases the cap of guarantees for loans given by banking institutions in response to increased demand. The current cap is $1.5 billion, and with the adoption of Bill C–75, the limit will increase to $3 billion. For many farmers, this increase means greater access to financing.

Even though the bill concerns loan guarantees and not the investment of new money, an important question arises: Will taxpayers be bearing the costs of this increase directly? Although we are talking about loan guarantees, the risk of non payment remains, and, in the end, all taxpayers will have to foot the bill.

According to data from the Department of Agriculture and Agri–food, losses due to non payment or non reimbursement represent more or less one per cent of the total loan guarantees. Therefore, the cost of the program will be relatively low. Nevertheless, one per cent of $3 billion could end up costing Canadian taxpayers $30 million.

Therefore, for the good of the farmers, the Bloc Quebecois will support the increase in the cap from $1.5 billion to $3 billion by supporting Bill C–75. In the present context, it is almost impossible for the provinces to gain a little more autonomy from the federal government. The only solution in the short term, and it is only for farmers, I repeat, is to allow the government to go ahead with Bill C–75.

However, I must point out that our support is based solely on a concern that farmers get the financing they need and are entitled to. Apart from this vital aspect, it is as clear as spring water that we cannot allow duplication to pass without comment. I wish to draw the attention of all my colleagues and especially you, Mr. Speaker, to the fact that Bill C–75 involves duplication from two levels of government, as I will explain to you.

The basic question we must ask ourselves is not only whether the limit provided for in the act to amend the Farm Improvement and Marketing Cooperatives Loans Act is high enough but whether the program as a whole is relevant. According to Agriculture Canada figures, the demand for loan guarantees is growing. It is this excessive demand that justifies the limit increase.