

*Farm Loans Interest Rebate Act***GOVERNMENT ORDERS**

[English]

**FARM LOANS INTEREST REBATE ACT (NO. 2)**

## MEASURE TO REDUCE INTEREST RATE

The House resumed, from Thursday, November 4, consideration of the motion of Mr. Whelan that Bill C-134, respecting rebates of interest on farm loans under the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture.

**Mr. G. M. Gurbin (Bruce-Grey):** Madam Speaker, one can clip a sheep every year but one can only skin it once.

**Some Hon. Members:** Hear, hear!

**Mr. Gurbin:** The Liberal Government is down to the hide of Canadian agricultural producers and Canadian businessmen. Indeed, for 316 Canadian farmers this year, the Government has gone right to the bone.

Today we are debating the Farm Loans Interest Rebate Act, the provisions of which are in addition to the normal provisions of the Farm Credit Corporation and will provide some much-needed assistance to Canadian farmers. The tragedy is that this special assistance is required. In brief, this legislation provides \$200 million in loans through the Farm Credit Corporation; \$100 million of that is new funding. There is a \$16 million Government donation, if you will, to agriculture to lower interest rates from the current 15.75 per cent to 11.75 per cent. That will assist between 500 and 1,500 Canadian farmers who are in serious financial distress.

● (1510)

There is no real debate on this Bill as such. No one is speaking in opposition to it. Indeed, I support this Bill strongly as a measure that will help that number of Canadian farmers. This Bill will be supported by my Party, as have all other additions to Farm Credit Corporation legislation through the years. But the tragedy is that we are required to pass legislation like this. It is really a band-aid measure which will only help a small percentage of Canadian farmers, those who are able to qualify. This legislation does not approach the basic problem or deal with the over-all number of Canadian farmers who need assistance. According to the calculations of the Canadian Federation of Agriculture, at least 10 per cent of Canadian agriculture is in some degree of financial distress. According to the Minister's statements, 11 per cent of farmers involved in financial arrangements with the Farm Credit Corporation are in default. Out of 300,000 Canadian farmers, according to that ratio, 30,000 Canadian farmers are in financial distress.

I would like to comment on two points in the Minister's statement. First, he took exception to my description of the agri-bond concept that I mentioned in a question I asked in the House. It was described as a Conservative concept. By way of clarification, if the Conservative Party were in Government this concept would indeed have been implemented. I offer as proof of that the fact that the Small Business Development

Bond, a similar type of mechanism, was introduced first in the Crosbie budget. We are committed to that type of principle, where it applies, in order to assist Canadian agriculture and businessmen. We all know that the Small Business Development Bond was supported later on by the Liberal Government, and it continues to be in place for those in distress. We all know, however, that it is not working well in providing the real relief that is required as a result of circumstances existing in the country today.

Second, the Minister of Agriculture (Mr. Whelan) mentioned that the number of people to be helped by the farm loans program was at least 2,000. According to the Minister's figures, 554 special assistance loans have been made which accounts for \$80.1 million. On that basis, certainly the maximum to be helped would be in the neighbourhood of 1,500 Canadian farmers.

The Minister also mentioned that because of the importance of Canadian agriculture a number of things have been done over the years to assist agriculture. While the Minister looks to these mechanisms as donations to agriculture, for which he has been responsible to pilot through the House, I think it fair to mention that, at the same time as the Minister has been doing this, he has also stood in the House and supported a number of programs which have severely damaged agricultural producers in Canada. Specifically, I refer to the budget of November 12 and the National Energy Program. Everyone knows that income averaging annuities are gone and have been replaced by a provision that is more awkward and is probably not as effective for those farmers who are retiring. The Minister of Agriculture supported that by supporting the November 12 budget.

We also know that energy prices were significantly increased in the National Energy Program. While the Minister of Agriculture repeatedly claims that farmers are relieved from federal taxation on farm fuels, we also know that through the provisions of the National Energy Program farmers, like other Canadians, are paying significant increases for diesel fuel and gasoline. This amounts to 40 per cent in the cost of farm fuel. According to my rough calculations, assuming agriculture uses approximately 3 per cent of the liquid fuels, that is, diesel and gasoline, farmers are actually paying each year into the federal treasury approximately \$144 million by way of direct and indirect federal levies. Farmers are not free from federal taxation. Indeed, farmers are making a significant contribution to the federal coffers.

By comparison, this whole Program that we are talking about now amounts to approximately \$20 million. It is very similar to the program that was instituted in the November 12 budget of last year, to which \$5 million had been allocated. All of this money is money that will have to be repaid. It is not really a gift in the true sense.

Certainly the Farm Credit Corporation as we have known it over the years has made a valuable contribution to agriculture. Even in my own area, I can attest well to the capable efforts