

Hon. H.A. Olson: Honourable senators, I would like to make a few remarks on second reading of Bill C-95, to "continue" — I thought it was a bill to "amend" the Farm Credit Corporation, but it is a complete replacement of the Farm Credit Corporation and the words "to continue the Farm Credit Corporation and to repeal certain Acts in consequence thereof" is the description of Bill C-95.

Honourable senators, I do not intend to spend very much time dealing with the provisions in Bill C-95 because they are, except for one very important principle, essentially the same as was in the Farm Credit Act before, and that is the provision that the Farm Credit Corporation will now be competent, capable or authorized — or whatever word is appropriate — to lend money to farmers for off-farm activities that are related to the farm business. To say that this has been needed for some time is an understatement. As a matter of fact, in many parts of Canada over 40 per cent of a farmer's income is off-farm income. In many cases that income is derived from investments in equipment and other things that are related to the farm.

It is not clear from reading the bill what the criteria for the term "related to the farm" will be. What we know is that many farmers have been forced to find off-farm income, otherwise they would not have had sufficient income to maintain a reasonable standard of living. In fact, I am sure that Senator Barootes would have a great deal of sympathy for what I am about to say. A high percentage of those farmers in the prairie area of Saskatchewan and Alberta, who rely on the international grain market for their income, have no income at all — below zero — because by the time the cash or the receipts from the sale of grain on the international market are received at the farm gate, it has been reduced to below the cost of production.

• (2130)

That is a pretty sad commentary to make on a government that was so full of great promises and wonderful things it was going to do for the economy of Canada. Now we come to the stage where it even has to change the Farm Credit Corporation to find some solution to that severe problem.

I know they have made all kinds of speeches — Senator Barootes is the champion — about how much money this government has allocated out of the treasury since it got into office. It is billions of dollars, or at least some amount substantially more than the previous government. However, I will tell you one thing they do not say, but should: Almost all of the helpful programs that this present government is involved in funding were programs that were put in by the previous government.

The Western Grain Stabilization Fund is an outstanding example. When this government took office in 1984, there was a lot of money in that fund, \$2 billion, more or less. They

passed that out as if it was something the Tories had invented. I admit they added some money to it in the subsequent years, I am not going to take that away from them, but it was a program put in by the previous government.

It does not make very much difference to the farmers whether the program was brought in by the Liberals, the Tories, or any other government. The fact is that the situation today is just as sad as it was in 1985 and 1986. What I cannot understand is why they do not do anything about it.

The problem is primarily the consequence of a dispute between the European Common Market and the United States and what they chose to do about export-enhancement subsidies. That dispute has devastated the international grain markets, and that is not hard to understand. What is hard to understand is how this government can be so callous now that, in 1993, they act almost as if that problem has just gone away.

I can tell you it has not gone away in the part of Alberta I come from. It has not gone away in Saskatchewan, either. The problem of lack of income for the farmers who rely on the international grain market for their cash receipts has not gone away at all. It is worse than ever.

It has become so bad that Saskatchewan announced in its budget a few days ago that it cannot even afford to pay its part of the GRIP program. I understand there was some announcement made in the last few days, although I do not quite understand what it means, where the federal government is now going to come to the aid of Saskatchewan dealing with the GRIP program, the guaranteed investment part. The Saskatchewan government just simply cannot afford to pay it any more. That is how badly off the Saskatchewan government is. I understand that. They have taxes based on income, and if there is no income, there is no income tax, either.

There are many other industries and people in Saskatchewan which are having problems, in spite of the so-called good news statement that Senator Barootes made earlier today. Things have not changed enough. Most farmers, faced with the same kind of prices, are not going to break even in 1993. They might, but I doubt it.

The one glimmer of good that is in this bill is that the Farm Credit Corporation is now going to be authorized to make loans for activities it was prevented from dealing with before; off-farm income. Other than that, I do not see any point in almost privatizing the Farm Credit Corporation.

You know what happened when you were going to deregulate and turn the airline industry over to the marketplace. Maybe that has happened all over the world, so it is not a particularly good example, but everything you have privatized has been ruined.