

*Agriculture*

rise in commodity prices. It is a cost-price squeeze that is hitting some farmers harder than others. Farmers who have been operating with low equity and high debt are in trouble. That is a poor way to do business at the best of times, and maybe if some of those farmers had had better financial advice in the first place they would not be in that position.

Farmers who have been able to establish orderly marketing arrangements, as I said earlier, are in better shape, and that too is a form of support this government has given to farmers. Hon. members will notice that it is not the dairy and poultry producers, as I have said, who are having great difficulty in the present situation. Supply management has a lot of advantages that many people do not realize until they get into the sort of bind some hog and beef producers are in at the present time.

As I have said, I have the right to challenge farm leaders in the community because I was a farm leader at one time. We did things; we organized ourselves and went to the government and told the government what we wanted. Most of these farm leaders at the present time are just sitting back and yelling without making any constructive suggestions whatsoever. They are afraid to go into the farm communities and really organize the farmers as we did at one time. I do not have time as Minister of Agriculture to do that and it is not my job to do that. It is the farm leaders' job to do that.

Some farm leaders have done a good job and certain products come under provincial or national boards, and those producers are making a buck. If they are efficient producers they are making the dollars and paying the bills. The bankers know that as well, and so do we in the Farm Credit Corporation. We have lent money to the farmers of Canada. At the present time there are 70,000 farmers in Canada who have farm credit loans. Of farmers who are presently farming, 70 per cent have at one time or another received assistance. I want to make that clear; some 70 per cent of farmers who are now producing in Canada at one time or another in their lives received assistance from the Farm Credit Corporation.

The Farm Credit Corporation was at one time the main lender to farmers. At one time 70 per cent of all long-term loans in Canada were made by the Farm Credit Corporation. We appealed to the lending institutions to become more involved in lending in rural Canada. They were hardly involved at all in that kind of lending before 1978. If one checks the records one will find that the bankers were hardly involved in this type of lending before that time. Little did I know when we appealed to them that they would operate in the fashion they have. They have shown their ignorance about lending in rural Canada. They have shown that ignorance as indicated by some of those things I have mentioned. They lent huge sums of money without any advice to the farmers, without any real study of the operation and without any real study of the economics of the production entity. They did not make sure the farmers were going to have some kind of program so that they would know they would be able to pay back the loan in the following ten years. One can hardly believe the heartbreak-

ing situations some of these people are now in, mainly because of the policies of the banks in lending money.

This is what I was thinking about when I talked about whether the Farm Credit Corporation should be given more money and whether the small business development bond program should be expanded, allowing more money to be again administered by the banks. Should there not be some way of having control over how this money is to be lent and to whom in order that we do not just put these people in jeopardy again? I maintain that even with a small business development bond some of these farmers would still be in difficulty, at least until they get a better marketing system for themselves. They will not be able to get out of difficulty even with a 10 per cent or 12 per cent mortgage under the Small Business Development Bond program. They are not able to write this off as an income tax expense. What they need are long-term mortgages with a moratorium on the first three years of interest payment on capital. I know I am repeating myself, but this could work. They should have mortgages for 20 years with an amortization period over the final 17 years. This would allow them to get on their feet. For some of these people this is a must. We need these agricultural producers.

These producers are not necessarily inefficient. Some of them are the most efficient producers in existence. I could name one young farmer in my area who went bankrupt owing \$750,000. He had the most efficient beef cattle feeding program in Ontario on the basis of pounds of beef produced. He was self-sufficient; he did not buy any grain for his cattle, he produced it all on his own farm.

We want amendments to the Farm Credit Corporation legislation and we have made certain recommendations. Other members on both sides of the House have made suggestions. It has been suggested that a Crown corporation or trust company be set up to entice people to invest in agriculture. We could pay a lower rate of interest but the investors could get an income tax break.

There will be other members on this side of the House who will be speaking on this subject. There are many things I should have liked to say in answer to some of the comments by hon. members. An hon. member referred to an outlook conference, which I think is a commendable idea. There are many things we think can be done to really help agriculture in Canada, but—

**The Acting Speaker (Mr. Ethier):** Order, please.

**Mr. Bill McKnight (Kindersley-Lloydminster):** Mr. Speaker, I welcome the opportunity of taking part in this debate on the opposition motion on agriculture proposed by the hon. member for Portage-Marquette (Mr. Mayer). I listened with interest to the Minister of Agriculture (Mr. Whelan) expressing his concern again, again and again, but like my colleague, I would like to point out to the minister that we understand the problems. Every farmer, every cattleman and every producer of food products in this country understands those problems. We need some answers from the government. If this minister