

which the Government will continue. He announced the amount of funds that will be lost by the Farm Credit Corporation with regard to farm fuel assistance. Clearly, that whole situation in the farm debt crisis is being ignored or covered up by the Government. The Farm Credit Corporation has been in a state of crisis for the last year. Its equity position slipped below \$124 million of deficit in the last fiscal year, with arrears of some \$345 million in the last fiscal year.

It is estimated that in the fiscal year 1987-88, its deficit in equity will be minus \$300 million and its arrears will balloon to over \$405 million. The Government is either ignoring the farm debt crisis or attempting to sweep it under the carpet.

The chairman and the vice-chairman of the FCC were let go in early December. They have been proposing recovery programs for that farm debt crisis for over a year but the Government accepted none of them. It brought in a new chairman and vice-chairman, neither of whom is a farmer as I understand, but more oriented towards Treasury Board and the Department of Finance.

Therefore, we must question the future of the Farm Credit Corporation because the assistance provided for in this Bill is clearly inadequate to salvage thousands of farmers facing serious financial difficulty.

There is great concern in the agricultural community that the Government is planning to wind down the FCC just as it did with the Farm Improvement Loans Act. The Minister brought in that legislation on an urgent basis last June, telling the Opposition and the New Democratic Party that we must pass this legislation immediately because the life of the Farm Improvement Loans Act was coming to an end. That Act had provided some \$300 million a year in loan guarantees for farm loans that were used for equipment, livestock, improvement to farm operations and so on. Yet seven months later, those amendments and the extension of the Farm Improvement Loans Act has not even been proclaimed.

The agricultural community is very concerned about whether the Government is planning to privatize or wind up those programs. We are still facing a farm debt crisis. Studies show that over 50,000 farmers out of some 170,000 who have sales of more than \$20,000 a year are either insolvent or in serious financial difficulty. I hope the Government will take the problems facing Canadian agriculture with the farm debt crisis seriously because it does not seem that any action has been taken in the last 12 months, except to announce studies and replace staff.

We want these funds to be made available for the coming planting season. I was in Saskatchewan and Manitoba earlier this week, where many farmers told me that with the reduction in the price of grain by some 20 per cent this past crop year they will not have adequate funds, even with this program that will provide an average benefit of \$7,000 per producer, to even plant a crop. This program will be helpful to those who are in a more favourable position, but it certainly will not help many

Supply

farmers facing the prospect of lower grain prices in this crop year and even worse in the coming year.

During our exchange in the committee I hope the Minister will be able to respond to those questions which have been raised by the farming community during this terrible crisis which has befallen them in the last two or three years.

Mr. Langdon: Mr. Chairman, it is remarkable to hear the Minister concede this morning that we did not face an international market situation. He also indicated that this was an unprecedented situation for Canadian farmers.

At the outset, I want to stress that this is absolutely the case, not only in western Canada but in Ontario, as the Minister pointed out, and with respect to many farmers in Quebec.

[Translation]

The agricultural community in Quebec is faced with a lot of problems, and this is something which should also be looked into.

[English]

Yet, given that unprecedented situation of a serious set of problems which have built up, the Government is coming before us and essentially patting itself on the back, saying that it is doing as much as can possibly be done. Of course, it says that it regrets the situation but is doing everything it possibly can. That is simply because, in this case, it is throwing \$800 million at the problem.

● (1200)

We support, in fact, again and again in this House we called for much earlier announcements so that farmers could plan with some security knowing what was going to face them in terms of financial help this coming year. Yet it was not until far into the crop year that actual announcements were made. That suggests to me and to my Party that there is no strategy. There is no broad understanding of the difficulties farmers face, and there is no broad response to those problems coming from this Government. Instead, we see a series of *ad hoc* actions which, although they are discussed with farmers, are not in themselves worked out with the goal of solving the long-term, very serious and, as the Minister has said, unprecedented situations faced by farmers.

As someone who represents a constituency which includes a great many farmers, that is the message I hear. It is a message which says very forcefully to me that the Government, despite the concern which farmers recognize on the part of the two Ministers—now the three Ministers who are involved in this subject area—is not addressing the problem with sufficient urgency. It is not being addressed with sufficient comprehensiveness. It is not, therefore, being addressed with sufficient seriousness.

The farmers in my constituency look, for instance, at a situation which faces them in which it is clear, despite the comments of an ambiguous sort from the Minister of National