

Farm Loans

index is rising far, far faster than the consumer price index. This is also true in the United States and, if we were to look at the statistics we have, I am sure we would find that it is true also in Argentina, Australia and all those countries competing with us in the markets for grain sales.

Interest rates were not dealt with in the budget recently presented. They are not being dealt with in this farm credit bill. They are not being dealt with in the Canagrex bill. The first ministers are presently having a conference and, to their credit, they are attempting to bring forward ideas on how we can deal with this economic dilemma.

Every day in the House hon. members rise seeking solutions to this very desperate problem which faces not just the agricultural industry but many other industries. Many members who have spoken in the House about this bill have presented ideas and possible solutions to the credit and interest rate problems we are facing today in agriculture and other industries. It is time the government widened its viewpoint, opened its arms and its glass houses of intelligence and used some of the ideas which are being presented in this House and by many farm organizations across this land. We must seek advice and use it.

Hon. members speak in this House not just to criticize. Of course, sometimes an essential function of members of this House is to criticize legislation, but many times hon. members bring forward not only their own ideas but also the ideas they are able to gather as they travel in their constituencies. Many of us represent hundreds of thousands of people, and there are ideas out there which we bring to the House and into committees. As we face these kinds of dilemmas, it is time the minister and the government opened their arms to these suggestions, looked at them honestly and dealt with them. They should not be thrown aside just because they do not come from the department or the glass houses across the street, from where all intelligent material emanates!

I have been reading *Hansard* and listening to some of the speeches. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) brought forward an excellent idea yesterday, and it deserves some study. That idea has to do with the use of the Small Business Development Bond whereby individuals could lend to the Farm Credit Corporation and not pay tax on the interest money accruing from such loans. That idea is worth some study.

The hon. member for Moose Jaw (Mr. Neil) made an excellent suggestion just a few hours ago. He suggested that farmers could receive money at rates of about 8 per cent. He referred to a farmers' retirement investment fund which would allow farmers to invest their capital gains in farm credit at 8 per cent for five years; I think that is what he said. They would not pay any capital gains tax if they left their money there for five years, and the government could lend it out at a very reasonable rate. If the government is going to the money market to borrow money for farm credit, I am sure the government will pay prime and perhaps prime plus for the money. Under my colleague's proposal, we would have a pool of capital which could be put to work at a rate much lower than that.

I heard the hon. member for Haldimand-Norfolk (Mr. Bradley) make some excellent proposals. I made some suggestions back in 1975. I looked them up to see if they still make any sense. I put forward a private member's motion at that time on behalf of young, starting farmers who were having difficulty. I proposed that there be partial non-repayment of loans, where young farmers meet some performance standards, and a maximum 5 per cent interest rate. Things have changed substantially since then, but we all remember the days when interest rates were set, and they could not go above a certain level. Oh, we long for those days again! I proposed that there be deferred interest during an initial period because when a farmer is starting up with a very high loan rate on land and equipment, his greatest difficulties generally are in his first years, and he spends all his money just paying interest and does not get to the principal for some time. I proposed open-ended loans so that if a farmer intends to increase his operation, he need not pay the costs time and time again to set up loans.

Sure, things have changed since 1975, but many ideas are enunciated in this House and in committee every day this House is in session, and very, very few of them are put into legislation. Often a minister brings a bill into the House and says it is at the final stage. He says it is in its final form. Oh, yes, he tells us we will have an opportunity to debate but that he is not looking for any ideas. He just wants to get his legislation through and, as long as he has the support of his party's members, away he goes.

Hon. members have said they will support this bill. It makes some changes that will be beneficial to the agricultural community. But is it good enough? Can we pack our tents and go home saying that with this bill on farm credit and with the bill on Canagrex, we have solved the farming problem? I believe that is not good enough. I say to the minister that the bill provides the opportunity for him to deal with some of the excellent suggestions put forward by the House and by farm organizations.

● (2020)

Clause 8 of the bill which refers to Section 13.(1) of the act reads as follows:

The Corporation may, with the approval of the Minister of Finance, borrow money by any means—

I suppose the government does not trust the Minister of Agriculture (Mr. Whelan) and that is why provision is made for the Minister of Finance (Mr. MacEachen) to approve. He is to make sure that the thumb is put on the Minister of Agriculture. I am sure that members from other agricultural areas, as well as this minister, can convince the Minister of Finance that improvements are needed in the area of capital requirements for farmers. This gives him latitude to accept such ideas.

In committee, amendments to clarify this clause in the bill will be put forward and the excellent suggestion offered by farm organizations will be considered and perhaps drafted into amendments. We ought to give such suggestions close study,