

Adjournment Debate

The FCC has chosen to in effect act as the farmer, hiring custom operators to get the land in shape. It of course has to pay the taxes involved. As a consequence, it is soon to become one of the nation's largest farming operations. At some point, it will have to reassess its position, in terms of whether it will try to lease the land out next year or to find a buyer, at almost any price. As of this year, it is still hopeful of recovering most of the debt against those properties. In most instances, that is an impossibility. Had the land been worth as much as the debt against it, nine times out of 10 the farmer could have continued the operation. He could not, and I suspect that the FCC is going to have great difficulty in reducing its losses on these properties.

• (1825)

They reported last year that they lost about \$90 million in the writedown of debt as a result of these transactions and as a result of foreseeing the debt write-down which will be coming due this year. They want to provide a bit of a cushion for that.

My question concerning whether the Government was looking at a land-banking type of scheme or an equity financing scheme was based upon what I perceive to be a very real need in the country right now for some alternative to land ownership, so that farmers who are in financial trouble can continue to farm and that new farmers will have an option which will provide them not only with land but land which is affordable and provides some security of tenure.

I know that the Farm Credit Corporation has been distributing numerous equity financing schemes to the provinces, to the farm community, and to some lending institutions. I also know that discussions have been ongoing.

I have been told that it largely gravitates around whether the provinces are interested. The FCC has indicated that it believes the Provinces of Saskatchewan and Alberta are showing some interest in such a scheme and would be interested in having other investors, including a federal agency like FCC, involved to provide the necessary backing to such a fund, particularly in these times when no one knows how far is down in the farm land market.

The Minister pretended that the Government was not even considering any such proposal. Given the activities of his own Crown agency, the FCC, and given the advice of some members of the Standing Committee on Agriculture, including the Hon. Member for Moose Jaw (Mr. Gottselig), I think the Minister should have been a little more forthcoming to the House. He should address the issue realistically. A very large problem is looming before us. If he does not have a policy on

equity financing or land-banking, he should present one to the House very soon.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is true that the value of farm land has decreased. It is also true that this is more pronounced in western Canada than in eastern Canada because of the problems created by stiff competition in the international grain market.

The Canadian farming community has been supported by the Government as shown by a number of measures over the last two years. The nature of the collapse has been so dramatic that existing social safety nets which were in place for agriculture—and there is a substantial number of them—simply were not able to cope. The Government has had to step in. It has increased the nets by over 350 per cent, by literally billions of dollars.

However, that does not mean that Canadian society, which is really the taxpayer, must seek at all cost to keep all farmers on their farms under all circumstances. Agriculture is undergoing a major adjustment, as are many other sectors of the economy.

The reason is simply the 1972 to 1974 Liberal-NDP alliance which increased spending in Canada by virtually billions and billions of dollars. It drove up interest rates. It caused inflation. Farmers who paid 24 per cent interest rates are in deep trouble, as are other sectors.

Mr. Althouse: That doesn't wash.

Mr. Thacker: That inflation was caused by the Government of the day, by the Liberals who were held in power by the New Democratic Party. It was not my friend's fault. He was not in Parliament at that time.

Under the circumstances, it seems to me that it is the role of Government to ensure that those who have the required qualifications and wish to remain in agriculture have access to fair and equitable programs to improve their situation. The lifting of the FCC moratorium supports this thrust, because the Farm Debt Review Board is a mechanism to let a farmer in trouble appear before a group of his peers and have his say. His peers can say whether or not there is a chance for him. It is a good process, and I think it is a fair one.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.