

*Farm Loans Interest Rebate Act*

and that type of thing. I still think the principle is good. Other countries are using it. We are still presenting other new proposals to the Minister of Finance (Mr. Lalonde). I do not know whether the proposal will be ready this year or not, but offers are still regularly coming in, as I said, for long-term money. We do not know what the result of that will be.

As I said earlier in my speech, we had refused the proposal of long-term money for a ten-year period, I believe, at 14 per cent interest in Canadian money, which I thought was too high. I am still optimistic that the interest rates will come down and that maybe by Christmas or shortly thereafter the interest rates will be single digit. I am very much of an optimist. That will put us in a better position to arrange for long-term money. We are in the best position to arrange long-term money for over two years; but I again stress to the House, through Your Honour, that very rarely can one find any institution which will lend long-term money.

As Minister of Agriculture, after listening to what the farm organizations have said to me, I very strongly feel that it is a must that we have long-term financing for farmers. From what we see today on the world commodity markets, the great fluctuations in prices mean that they must have that kind of long-term financing with reasonable rates of interest. This applies to somewhere between 35 per cent and 45 per cent of all farmers. Over 50 per cent of our farmers are not in that bracket at all. Farmers in certain age groups do not owe any money, and that takes in nearly 50 per cent of all farmers in Canada. A mixture of grain producers, livestock producers, dairy producers and poultry producers are in that bracket. Some of them have even said to me, "Some of your programs, Mr. Whelan, are too rich because we are paying too much income tax at the present time." Well, it is hard in an agricultural community to provide the kind of equity we want. However, if a farmer is paying income tax, that is as it should be, because successful business people pay taxes, and farmers are successful business people. If they are paying taxes, that means they are running very successful, efficient businesses. It is when farmers or business people are not paying taxes that we should worry more about them.

We recently received a visitor to Canada. We showed him the agricultural production entities from Quebec, Ontario, Saskatchewan and Alberta, the different kinds of farm operations that he wanted to see. I know he was very impressed with what he saw. The productive system in our country is so different from the one in his country. He was the minister of agriculture of the Soviet Union, which is our largest purchaser of agricultural products. He wanted to see dry land farming. I was delighted to show him our family type farm operations, from small and medium to the large type operations which have several thousand acres under cultivation. He also saw livestock and grain operations. No other country in the world has a system such as ours.

In reference to the plight of producers in the United States of America, the potato producers of that country requested hearings because they said that they could not compete with the programs available to Canadian producers. Little Canada

was putting the producers out of business in the main potato producing areas of the United States. Hearings were held in Boise, Idaho, and Bangor, Maine. Transcripts of the proceedings are available for anyone to see. However, their main argument was that Canada's programs are so superior to theirs that they cannot compete with us.

Once again I ask for speedy passage of the Bill. I have given a brief report on what we are doing to raise extra funds for the Fram Credit Corporation, but we are being a little bit cautious about arranging long-term money at high rates of interest because we do not want to tie too many farmers into a high rate of interest. I think that no matter who may hold the office of Minister of Agriculture over the next few years, he will have to review mortgages which farmers have taken at 16 per cent or 16.5 per cent interest because the average rate of mortgages is now around 10 per cent on the nearly \$4 billion we have out on loan. However, some farmers are paying less than 10 per cent and others are paying 6.5 per cent more than 10 per cent. When they were obtaining those mortgages they were still borrowing money at a rate about five points lower than the regular market rate at that time and they could not obtain long-term mortgages even if they were willing to pay 20 per cent, 21 per cent or 22 per cent interest. That cost us several millions of dollars. However, we think money spent on agriculture is money well spent.

The record of the Farm Credit Corporation and its cost of operation is one of which we are very proud. It is an organization which knows and understands Canadian agriculture, which is one thing the private lending institutions have proven to us they do not understand. By the way, they lent money to the rural community of Canada, but in many cases they did not understand just what was going on. If most of the farmers who are in financial trouble had borrowed long-term money four, five or six years ago from the financial institutions, most of them would not be in such difficulty. We appeal to the private lending institutions to start lending long-term money to the rural community. I can honestly say that I did not realize what they were doing until I became really involved during the last 18 months. Farmers have sent me copies of agreements they have signed with lending institutions. I was amazed, appalled, and in some cases just downright disgusted to find that they had become involved with financial lending institutions which would put them into such difficult positions.

I know that other Hon. Members would like to contribute to the debate, but again I ask for speedy passage of the Bill.

**Hon. John Wise (Elgin):** Mr. Speaker, I do not want to take a great deal of my time to respond to the Minister's opening remarks except to say that I am somewhat surprised that his comments were directed to some of my colleagues and farmer friends in the Province of Alberta. There is certainly no question that farmers who carry on business in Alberta are obviously Canadian farmers, and if there were any doubt in anyone's mind, I simply draw attention to the overwhelming manner in which they voted in the recent provincial election. We find that the Premier was able to gather some 75 out of 79