

Farm Credit Act

in any way blame the minister or anyone in his department for this delay. In my view the delay may be charged to those in my own profession because I know that applications frequently lie on lawyers' desks without being given proper attention. But I respectfully suggest that the department could bring pressure to bear on those who are delaying the forwarding of applications. I want to thank hon. members for their indulgence toward this, my first speech. May I conclude by once more reaffirming and renewing the appeal so eloquently made by my colleague from Assiniboia and earnestly ask the Minister of Agriculture to review the considerations which the hon. member laid before him.

Mr. Peters: Mr. Chairman, I am quite pleased tonight to have the opportunity to engage in the rural throne speech for Canada. Certainly the minister is to be congratulated on leaving the resolution so wide open that everything from ARDA to the taxation problems affecting farmers has been discussed. I am sure that the farmers will be very happy to know that their problems have been given such prominence by this discussion so early in the session. It seems to me, Mr. Chairman, that in the debate that has taken place so far on this resolution we have tried to outbid each other in giving the farmer credit. We all want to maintain the family farm of perhaps 10 or 15 years ago. We want to do this by giving the farmer all the money he can get as fast as he can get it, whether or not it bankrupts him. I think the farmer, himself, would be well advised to be cautious, even if the members here are not, and guard against becoming extended beyond his ability to repay.

In looking at what the credit situation is in rural Canada, we find we have approximately one million farmers at present out of a population of 18 million. These one million farmers owe well over a billion dollars. If we were to give them another billion dollars tomorrow, this would not necessarily solve all their problems, but would probably multiply the ills that are affecting a great many of them today. I am not one of those who hold any brief for the type of credit administered under the old farm loan board. I think that this system was poorly operated. I have been more than pleased to find the government accepting the pioneer work that was done under the Veterans Land Act, and applying that to Canadians as a whole. I believe Canadians across this nation will, for years to come, be paying a great deal of tribute to Tom Rutherford who pioneered in the Veterans Land Act and later became the first official of the Farm Credit Corporation. There are very few people who will disagree

[Mr. Pennell.]

with the things that Mr. Rutherford has tried to do and which, I am sure, the corporation will continue to do.

I believe it would be wise, Mr. Chairman, for many of the members who are new here, and in the agricultural sense I am one of those, to go back into the record of the directions given to the administrative staff of the Farm Credit Corporation when that corporation was set up. If they apply themselves to the booklet setting out the Farm Credit Corporation lending policy, a very interesting document printed in 1961, they will note that the chairman had a number of interesting remarks to make. They are very earthy remarks and seem to me to be sensible suggestions which should be remembered by those who are interested in helping the farmer by extending credit to him.

His first principle was, I think, a very sensible one. He believed that you should lend to the farmer enough money to enable him to solve his problem, because if you did not you would only be creating a situation in which he would buy something without getting a sufficiently large increase in his returns to pay off that particular loan. If you lent him too much money, on the other hand, you would create problems for the entrepreneur that, in many cases, he was incapable of handling. For these reasons, the new credit policy included an advisory staff which would help the farmer in solving his own problems to the satisfaction, not only of the corporation lending the money, but to that of the farmer, who would get the most use out of the credit extended to him.

In his remarks, the chairman points out something that I believe is worth while repeating. He is speaking of the need in these days for increasing the size of the farm unit to make it a more economical operation. He is suggesting that there are techniques that must be used to establish the farm as a business. He points out that the new concept of lending policy is based on the premise that new techniques in agriculture call for the readjustment of the factors in production, in that the amount of capital in the form of lands, buildings, stock and equipment per average gainfully employed farmer must be very materially increased and often readjusted. He goes on to say in what respects this can be done. These directions were given to his staff so that his new officials would be able to do the counselling and so that the farmer would be kept informed of what he was trying to do.

It is very interesting to note that, while it has been true as some of the speakers have mentioned, many of these farmers who have applied for loans have been discouraged in getting those loans. Mr. Rutherford pointed