

been a concern to farmers. My recollection of the thirties is somewhat dim, but I do recall that the prime concern of the farmers at that time was the discharge of any debts they had. It was not so much the debt that they could not manage but rather the interest rate; that was what finally broke the backs of many farmers. They could not burn the mortgage. As a matter of fact, they used up the best years of their lives in trying to pay off the interest. Many farmers had such a fear of the banks that they preferred to leave their money at home. We have all read stories in the newspapers time and again about someone dying and money being found under a mattress or in a secluded place. This is the result of the fear these people have of banks. It is not a fear that the money will not be safe, but rather is a distrust which has developed because they have had to pay interest over the years and could not remove the yoke with which they had been saddled. I believe this is one thing the minister ought to consider at this time.

• (1610)

There is no incentive to any young farmer. Gradually, we find that the average age of farmers' keeps increasing. There is no incentive for a young farmer to remain on the farm. We must take this into account in this day and age. No consideration is being given to the people involved in farming, such as is given to those involved in industry and in labour, for example. The Opportunities for Youth Program, for example, is an incentive given by the government in order to provide work and accomplish something in that way. The LIP program, surely, is a program designed to provide jobs. Obviously, this also is an incentive for labour. Then, there are the DREE programs we hear about, involving incentives for industry to move into certain areas. We are living in the age of incentives. Everybody, except the people engaged in farming, shares in these incentives. The depressed areas we hear about receive special consideration. I am informed that when one totals the amount involved in these incentives it comes to about one-half billion dollars. I believe there should also be an incentive to remain on the farm.

I believe the farmers of our country deserve the same consideration that is given to other segments of our society. I do not believe the present situation will help preserve the family farm. I believe there was a period, when the Farm Credit Corporation was first initiated, in which this need was fulfilled, but at that time we had a pegged interest rate. Now, thanks to this government, the bottle has been uncorked and the interest rate has gone higher and higher. We find ourselves now with a rate as high as 8½ per cent. The minister says he has the authority to refinance these loans at a lower rate, but he is not doing anything about it. Even though this authority exists, it has not been used to provide an incentive.

In respect of the land bank established by the New Democratic Party in Saskatchewan, it would seem to me that the farmer would have to pay the interest and taxes and the government would own the land. In effect the farmers would be told, "you pay the taxes and the interest and the government will end up owning the land". After making payments for years and years, the farmers would end up having nothing to show for their efforts.

25104—59

Farm Credit Act

I am very concerned about the Regina manifesto. I believe the government should pay the interest and let the farmer own the land. This is part of our belief. We believe in the right of ownership. We do not believe it is the state which is the ultimate, but rather that the individual is more important than the state. One way in which this principle can be maintained is by reversing the method the NDP are following in Saskatchewan. The government should pay the interest. The farmers should pay the taxes on the land and make the capital payments, but the government should pay the interest. I say this is our answer to this type of program. We believe in individual ownership. The government does not have any position because it does not know where it is. I have indicated to the minister and to the House that we should use this approach in order to keep people on the farm.

We believe that any young man who starts farming needs incentives, just as incentives are necessary in any other part of the economy. I think the time has come when a similar approach should be taken with regard to the young farmers. I wish to make several suggestions. I have several proposals about how to achieve this. We believe that up to a certain age level, the interest on the borrowing should be forgiven. This type of assistance is similar to that given other industries. If any payments are made, they should be applied to the principal. In this way, when any payment is made on the principal, the principal would be reduced so the interest would also be reduced in succeeding years. This would provide an incentive to the young farmer to pay off the principal as quickly as possible. In that way he would be in a position to own the land. At the present time, there is no such incentive. I believe this is an approach we should take. After a certain age level, the interest would be paid by the borrower but prior to that time it would be deferred. If any payments are made they would be applied to the principal, again reducing the principal and thereby reducing the interest.

Here again, the quicker the principal is paid off the lower the interest payment becomes. There is another reason for this suggestion. I think the proper approach would be to assist the young farmer to become established. Once he is established it is easier for him to pay interest. After having had the interest forgiven or deferred, he would be able to make the payments since he would have become established. This is only fair. I remember the situation when I started my own farming operation. It was easier to make payments as the years went by, after the machinery was collected and there was an equity in the farm. I also believe several other approaches should be taken.

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member rising on a point of order?

Mr. Blair: Mr. Speaker, I wonder whether I might ask the hon. member a question?

Mr. Korchinski: Perhaps I might be permitted to outline these proposals, and then the hon. member might wish to ask his question later.

I believe there should be an adjustment of interest rates on which loans were taken out at higher rates. The minister has authority to do this. If the loan could be refi-