

Proposed Long Term Credit to Farmers

the proposed amendment to the Prairie Farm Assistance Act, I mentioned that, in the eastern part of the country, and in the province of Quebec, we could not qualify under the act. I also gave instances proving that those who incur damages, on account of flood or hail in that part of the country, could not get any government assistance, while in other areas of Canada farmers were covered by special legislation.

It is as a result of the recommendations of the Canadian Federation of Agriculture that my colleague, the hon. member for Beauce (Mr. Racine) introduced his amendment which we fully endorse.

Mr. Roberge: Mr. Chairman, the minister mentioned in his remarks, that this amendment mainly deals with crop insurance.

I know quite well that in some parts of the country, for instance in Beauce county, no insurance company will insure farmers against flood risks. That is the reason for the amendment introduced by the hon. member for Beauce.

I also know that the area I represent was flooded recently by a river that does not too often go on a rampage. A good many farmers in the parish of Ste. Sophie de Megantic suffered losses in a recent flood; it is quite likely that they did not have the required insurance coverage, and it is also likely that they will not be eligible for insurance under this act.

I therefore feel, Mr. Chairman, if the minister is unwilling to accept the amendment suggested by my colleague from Beauce he should at least consider the matter.

(Text):

The Chairman: I know that the hon. member for Assiniboia wishes to comment on this amendment and before ruling on the matter I am prepared to listen to his comments.

Mr. Argue: Thank you, Mr. Chairman. I just wish to express general support for the principle behind the amendment. As the minister has indicated, this legislation goes a long way toward meeting the recommendations farm organizations have made. However, I am sure he is aware of the policy statement on farm credit of the Canadian Federation of Agriculture dated January 1956. In that statement they set forth the very type of amendment that has been presented to this committee.

If it were passed the amendment would give the board general power to make loans in situations where disaster had struck on

a local basis. I would point out to the committee that even the passage of this amendment would not assure farmers who experienced such disasters that loans would be made. All that would take place if the amendment were passed would be that authority would rest with the board to consider applications.

I do not know if the minister would care to comment on the question I am about to put. Without this amendment and in the face of a disaster, could the farm loan board not provide mortgage money? I would think that if a farmer were in good financial shape otherwise, and a flood came along and destroyed all his dairy cattle, even without the amendment his application would be given consideration. All I am saying is that an amendment of this kind would not necessarily provide the mortgages that are sought nor would the refusal of the government to accept the amendment prevent money being provided to a farmer in the event a disaster took place.

Mr. Harkness: I believe what the hon. member for Assiniboia has said is correct. A farmer who has sufficient equity in land, livestock and chattels could secure a loan following a flood in order to re-equip himself just as anyone else could secure one. If he did not have an equity—in other words if the flood destroyed all his equity, livestock, chattels and so on—he would not be able to secure a loan under the other provisions of the legislation in any event because it is provided there that you cannot make a loan for more than 75 per cent of the appraised value of the land and chattels.

I do not believe this amendment would really accomplish anything and it would have a bad effect in giving unjustified hope to many people that they could secure a loan when in effect they could not obtain one.

Mr. Herridge: Mr. Chairman—

The Chairman: I regret to interrupt the hon. member but—

Mr. Chevrier: Mr. Chairman, if you are going to rule on the validity of this, I should like to speak to it.

The Chairman: I will then give the floor to the hon. member for Kootenay West.

Mr. Herridge: Mr. Chairman, I thank you for recognizing a junior member of the committee in preference to a veteran member like the hon. member for Laurier. We are supporting this amendment because we believe in the principle of disaster insurance. If the amendment is voted down I would suggest to the government that there is a place for national disaster insurance in this