

With regard to the expansion of the corporation's powers, while I recognize the legitimate provincial concerns, I think it is proper to have wide powers, and if there are further federal developments in this field, for example the small farms development program, it should be handled through this agency. The Farm Credit Corporation has built up through the years a very fine body of personnel who are familiar with the problems across the country, with land appraisal, land values and the operations of farms. Rather than set up new agencies to handle new government programs, I think it would be wise to put them under the one structure.

This, I agree, has to be done in consultation with the provinces, but if it is a federal endeavour I would prefer that the federal government handle the operation. I recognize that my own province has made some objections. I feel, however, that all too frequently the provinces seek for themselves a political advantage out of federal funds, and if federal funds are to be expended, I think the federal government ought to handle it.

With respect to the purpose of the loans, I think the proposed change is a wise one. The previous act said that loans could be provided where the expansion was "necessary" to the development of the farm enterprise. The new wording says "will facilitate." I believe this is sound, because it must be recognized that as agriculture changes there may be many other industries in which farm operations will become involved. It can be something as far-ranging as hunting rights on property; it can be as far-ranging as the provision of water supply for other purposes to other people. There may be many circumstances which are not directly related to the farm operation *per se* but which will be of benefit to it by the income it provides. In my view, this is a sensible approach.

With reference to the expansion to secondary non-farm enterprises, it must be recognized that our farmers will have to be much more flexible; they must be prepared to meet sudden changes in demand, sudden changes in consumer wishes; they must be ready to move and adapt, and the Farm Credit Act must be much more flexible than it has been in the past. I think the proposals made here generally aim to provide exactly that.

The Farm Credit Act, which is to be amended by this bill, was passed in 1959. Since then there have been some amendments. However, we must be realistic and prepared in future to make much more frequent changes in this type of legislation to ensure that it is at all times keeping up with the realities the producer faces.

This is by no means a gift to agriculture. It is true that the rate of interest is lower than the general commercial rates would be, but when one considers the incentives given today to industry I do not feel for one moment that this bill is by any means a gift to the agricultural industry. It is recognition that farming is a vital part of Canadian production. The assistance provided here is by no means greater than that provided to other industrial purposes, but is rather less.

I believe we would be wise to refer this bill to the Standing Senate Committee on Agriculture, where we can deal with it in detail, and get explanations on various points from departmental representatives and the minister. In general, I think the bill is a good one, which will

provide for a better set of rules for the Farm Credit Corporation in the future.

Hon. Henry D. Hicks: Honourable senators, perhaps as the senator from the Annapolis Valley I might express a slightly different Nova Scotian point of view from that expressed by the honourable Senator Macdonald from Cape Breton about the two areas of this bill to which he had objections, or at least about which he had reservations. The first of these had to do with clause 1, which extends the powers of the corporation by an amendment to section 11 of the Farm Credit Act. I take it Senator Macdonald's reservations about this had to do largely with his fear that some provinces had not expressed their opinions, and that there might be areas of duplication between the federal and provincial governments. This was also referred to by Senator Molgat.

• (2050)

This is true, perhaps, but I do not think that there is any question that the federal government has the jurisdiction that it has enjoyed for many years in this area, and that the federal government's activities in this area have been highly significant in the improvement of farms in eastern Canada, as well as elsewhere in this country.

Honourable senators, I do not think that the government in Ottawa, or the Parliament in Ottawa, ought to refrain from taking action because there may be some conflict with some of the provinces. If that were so, surely our whole process would break down into interminable delays before anything constructive could be done in respect to changing any legislation. Therefore I, too, agree with the changes contemplated by the amendment to section 11 of the Farm Credit Act.

The other subject that Senator Macdonald seemed to have some reservations about struck me as extremely interesting, in the two examples he gave of opinions expressed by various farm organizations before the Committee on Agriculture. This, of course, is the old dilemma of keeping the small farm as a way of life. It is rather significant that he himself referred to one of the arguments used in favour of further increasing the ceiling for joint or multiple ownership enterprises in farming operations beyond \$100,000 to as much as \$250,000.

The argument used was that these people want to be able to farm and enjoy the kind of standard of living that the rest of the people of this country enjoy. He then spoke about the other farm organization which had opposed the increase of the ceiling because it would destroy the way of life of the small farmer.

The farmer cannot have it both ways. We may feel a very sentimental attachment to the way of life of the small farmer, but the farmer who lives in that way on into the twenty-first century is not going to enjoy the standard of living that the rest of the people, the more progressive people, of this country enjoy. Therefore, it seems to me that in this conflict we are right in increasing the ceiling on farm loans at least to the \$100,000 level at this time, and that we should not delay further because there may be some reservations and some differences of opinion—as I am sure there always will be—among various elements of our farming community.