

*Farm Credit Act*

farm community since the inception of this measure. I think very few persons will take objection to the active consideration by the government to enlarging the company of individuals who are eligible for these loans.

I wonder, however, if the government has considered that to the very degree by which they enlarge the scope of this measure they will be subjecting the farm community, in my considered opinion, to a great deal more vertical integration. In listening to the minister and in reading the provisions of the bill, it is quite apparent that the previous definition of farmer, as one who is actively engaged in farming, has been changed to such a degree that almost anyone in the business world today could become eligible to obtain a loan. A person could become eligible by obtaining shares in a co-operative farm. The bill itself refers to a person who either has the intention of farming or the basic ability to farm.

When these pieces of legislation were first introduced the prime purpose was to enable young farmers and established farmers to either enlarge their holdings or to start farming in an economic manner. The fact that these measures were used to such an extent, and such large sums of money were borrowed by those engaged in agriculture, is an indication of the success of this type of legislation. I am wondering, sir, in the light of the economic chaos through which agriculture is struggling today, if such legislation as we have before us will not enable large business interests with large sums of money at their disposal, whether they be from this country or from other countries, to move into the farm industry?

Such business interests could take up large tracts of our land, either through corporate farms or by vertical integration. In this fashion, we would see a good deal of our farm land pass out of the control of the younger farmers of this nation, and instead of having tracts of land in Canada administered by farmers and farm families, I venture to say that in an extreme case we would see large tracts of farm land administered by boards of directors, such as we have in corporations.

Having said this, Mr. Chairman, I want to say that many of us on this side of the house believe that there should not be a change in the method by which interest is determined or charged in respect of those who wish to borrow money under this type of legislation. This is not the same type of legislation as we were dealing with in Bill No. C-111. This measure relates to long term borrowing, 10 years, 15 years or up to 30 years. In the

course of that time, interest rates are going to vary up and down the scale. It has been our experience during the years this measure has been in force that you see at one time very low interest rates, and at another, extremely high interest rates. With interest rates on the way down, as they are at the moment, we feel that the 5 per cent rate prescribed in the former legislation provides ample recompense for those who wish to lend money in this fashion.

We feel that this money is being provided by the government, and not through a banking institution, so that places this type of legislation in a category by itself. We feel that although the government did have to subsidize the interest rate under which money was obtained to lend to farmers, an examination of interest rates throughout the years would reveal that in a period of 20 to 25 years the cost of these loans to the government would be almost negligible. On the other hand, Mr. Chairman, when those who wish to obtain money through this legislation are able to do so at a prescribed interest rate, one which they feel would enable them to borrow money in the large amounts necessary to work into the farming industry, farmers would be more attracted to it and would borrow enough to obtain economic units. This might not be the case if the interest rate were set too high. As I say, this is the second point in the bill that is causing some concern.

The third point that is causing great concern is the fact that the categories of people who may borrow money are defined and limited. We have the age limit of 21 to 45 prescribed and the different rates at which money may be borrowed either by individual farmers or collectively.

• (8:10 p.m.)

I have been wondering, Mr. Chairman, whether consideration should be given to allowing individual farmers to borrow up to the gross amount that the bill provides can be borrowed by three farmers collectively. I make this suggestion because a tremendous amount of money is needed today in order to bring what is and has been a viable economic farm unit into the position of remaining such in the future.

I use as an example, Mr. Chairman, a dairy farm that today has about 60 to 100 cows, run by a single farmer who wishes to become more competitive and to change over to automatic feeding, perhaps to silage instead of hay, to using the new type of milking stalls and equipment and installing concrete feed