

Farm Credit Act

A third of our population was in agriculture in 1930. The percentage went down to 20 per cent by 1950 and it is now around 12 per cent. People who are going to stay in the industry will need more equipment and more land to farm bigger and more efficient units; therefore credit advanced under favourable terms will assist in making the industry more efficient.

I wish to make one more reference to the report of the corporation. It appears near the bottom of page 11:

As at March 31, 1962, the reserve stood at \$2,757,451, or only 1.26 per cent of the corporation's investment in mortgage loans. Thus the reserve, intended as security against the risks of capital loss inherent in any credit operation, is being rapidly depleted, not as a result of capital losses, but primarily because of the narrow margin between the interest cost to the corporation and the rate at which the corporation must, by statute, lend to farmers. At the same time, the total capital risk represented by the mortgage investment is rapidly increasing.

The risks are increasing. The costs of money are increasing, and in effect we have had a subsidy in recent months which in itself has been rising.

I turn now to the administration of the act and I wish to quote from page 597 of *Hansard* for October 16, 1962, where the minister is reported as saying:

Some of these amendments—

—to the Farm Credit Act—

—are therefore intended to broaden the credit program so that farmers will have greater latitude in the use of the money they borrow.

Later on he said:

—these amendments are planned to help the farmer to develop non-agricultural enterprises on his farm, such as camping grounds, tourist cabins or cottages and so on, if he can make more profitable use of his land resources in this way. These latter proposals obviously broaden the role of the Farm Credit Corporation in the field of agricultural adjustment. They will make it possible for the corporation to provide much greater support to our program of agricultural rehabilitation and development.

I suggest that these moneys now, in part at least, can be used for non-agricultural purposes; camping grounds and summer cottages are mentioned. But would it not be possible, or even likely, in circumstances such as those on the delta, near Vancouver, which is close to large metropolitan centres, or on the outskirts of Hamilton, that people who own farm land might obtain loans for such purposes—extraneous purposes they might be called—and later convert their lands in part or in whole for use in some commercial enterprise other than agriculture?

I suggest that rather than extend the act in this fashion, these other extraneous purposes might come under the scope of the industrial development bank or be covered

[Mr. Davis.]

by some other act of parliament. If it is desirable to assist in the development of service type industries in which Canadians can invest, and which Canadians can run efficiently, we should do so through other legislation. I should like to hear the minister elaborate on this point, because I think it is important and that it will be increasingly important in the efficient administration of this measure and of the affairs of this country.

(Translation):

Mr. Boutin: Mr. Chairman, I shall take these few moments at my disposal to make a few remarks on this resolution. I represent a constituency where more than 60 per cent of the citizens are farmers. It is therefore my duty to suggest, on their behalf, a few ideas which could help improve the fate of the farmers of my constituency, of my province and of the country as a whole.

Mr. Chairman, when Canada was discovered, the first thing Canadians had to do was to tackle our forests, to push them back as far as possible, in order that our soil could develop to its fullest potential. Those Canadians were not deceived. Our soil responded well to the hopes of our first inhabitants. From day to day, from year to year, we have seen develop along the St. Lawrence river, and then more and more inland, and to the upper reaches of my constituency of Dorchester, well established farms reflecting the modest comfort of our people.

There was no problem at the time, as far as feeding a large family was concerned, because as the sons got older, they put their intelligence and their hands to use, in order to help, enlarge and improve the homestead. And when the time came for them to leave the farm and bring up their own families, there was no question of going to the city to find jobs because they stayed on the farm, or they bought a farm in the neighbourhood of that of their fathers to carry on the tradition and agriculture, which has always been the pride of this Canada of ours.

And that was done without those people having to resort to farm loans which, in many cases, force farmers to go deeper into debts.

Nor was it necessary for them to have grand farms, without rocks, to take care of their families. If such had been the case, part of the constituency of Dorchester would not exist, because our farms are pretty rocky.

Now, in the last few years, we have been witnessing a phenomenon in which everything