

Farm Credit Act

interest in the house in farm legislation and to see such an interest in getting workable legislation in all parts of the nation. I want to thank the Minister of Agriculture for the very kind references he made about me and I want to say that I am exceedingly pleased, as I am sure all hon. members are, to see the Minister of Agriculture in perfect health again and able to deliver a very spirited address in this house.

I should like to deal with some of the things that the Minister of Agriculture referred to in his speech and to point out what I believe were a great many discrepancies and matters that require explaining to the house. The first objection that was taken by the Minister of Agriculture was to the net income figures that have been used by members of the Liberal party in dealing with this legislation. I want to point out to the minister that the net income figures that have been used in this debate are taken from a dominion bureau of statistics publication. I believe they are authentic. They have been used by the Canadian Federation of Agriculture in various presentations. I have in my hand the dominion bureau of statistics publication with respect to farm net income, 1960, in which it is explained what is meant when the term "farm net income" is used. Under the heading "Farm Net Income Concepts" it is stated:

Two concepts are used in preparing estimates of farm net income from farming operations for this report. One is called realized net income—

I notice that the hon. member for Acadia is not in his seat, but yesterday he used this definition.

One is called realized net income and is obtained by adding together cash income from the sale of farm products, supplementary payments and the value of income in kind and deducting farm operating expenses and depreciation charges.

Then, net income has a refinement. The brief goes on to say this:

The other is referred to as total net income and is obtained by adjusting realized net income to take into account changes occurring in inventories of livestock and stocks of grains on farms between the beginning and end of the year.

In other words, if a farmer has liquidated part of his cattle, this change in inventory position is taken into account. By using farm net income figures, the figures used by the Canadian Federation of Agriculture, we are able to point out to the minister that farm net income in 1961 was the lowest since 1954. If you remove the 1954 figure, then farm net income in 1961 was at the lowest point at any time since 1945. This, we suggest is a condition that hon. members should not apply. It is a condition that should be improved and no matter whether hon. members wish to quote cash income figures or realized income

[Mr. Argue.]

figures, I think any accountant would say that it is the net position that is of great importance and the net position of agriculture has been steadily declining.

Now, Mr. Chairman, the Minister of Agriculture went on to tell us that there were going to be some changes made. He said that he was going to have some changes made in the regulations to allow loans to be made on poultry. I would suggest to the Minister of Agriculture, with deference, that if loans are to be made on poultry the best way of bringing this about is to change the act itself. If such a provision were placed in the act, then the poultry producers would know this was a right they had. It would be certain; it could not be taken away except by a further act of this parliament. This is a much better position for the poultry producer than to have a change in the regulations, even if such change were constitutional and legal. I should like to be assured by the minister on what grounds the regulations could be changed to provide money for the poultry industry when no such provision is contained in the act itself, as I read it. However, even if, in the minister's opinion and in the opinion of the legal advisers to the government, it should be in order, I suggest it would be far more satisfactory to have an amendment to the act itself so it would remove any doubt about this feature and would give it the permanency of legislation rather than the impermanency of placing it in the regulations.

The minister went on to try to defend the fee for services, as he called it, or the appraisal fee. I thought he had a rather weak defence. The minister said, in defending this \$50 fee, "Well, do not feel too sorry for people who are supposed to have paid this \$50 fee because I would say a great many of them did not pay a dollar; you are giving that service as a free service, but some fee has to be established." How could it be an appraisal and a free service, if the only answer the applicant gets is, no? My understanding of the \$50 appraisal fee was that this money was to enable the Farm Credit Corporation to go out and look at the farm and actually appraise it. This is no appraisal, no matter what the minister may term it, when the applicant comes into the office and they merely say to him: "You are not eligible for a loan, therefore we will charge you nothing."

Mr. Woolliams: I wonder if my hon. friend would permit a question?

Mr. Argue: When I sit down, my hon. friend can ask all the questions he likes. I would suggest to the minister that this \$50 fee is a bar to the provision of small loans. It is inequitable to ask a farmer who gets a small loan, and who obviously has a small