

Farm Credit Act

There are some slights, Mr. Chairman, that a child cannot forget. Indeed, we are sons of the soil and we are despoiled of our heritage by the trusts, the finance companies which are extensions of the chartered banks. Nowadays, we are reduced to the status of mere slaves, mere leaseholders in a country said to belong to us.

And those same private banks wield a right of life and death over the whole of our farm economy because irresponsible governments have left them entirely free to give birth to that terrible credit-money.

And the more one cries, the more finance tightens the screw, and the more it orders its acolytes, the governments, to punish the people through austerity.

Mr. Chairman, we must today face the dour reality, not to hide our heads in the sand ostrich-fashion, but to send forth a SOS to all people of good will, and to enable the farmer to live a decent and honourable life on his farm, in his country, Canada. (Text):

Mr. McNulty: I would ask the Minister of Agriculture to add to his amendment to the Farm Credit Act a clause allowing for an increase in the maximum amount of the standard loan to \$30,000 and an increase in the maximum amount of the supervised farm loan to \$40,000. This amount may seem like a great deal. However, most of the farmers in our area consider themselves to be small farmers in the sense of property but big farmers in the sense of production. I make this request because there are many independent farmers who are unable to make from their present holdings sufficient profit to provide for adequate family living. Then there are family farming corporations with the same problem only in a broader sense. Both groups are unable to borrow enough money at a reasonable interest rate to extend their holdings so as to make their modern farming hopes possible and reasonably profitable.

Most of the farms in our area have belonged in the same families for a great number of years, many of them leading back to crown grants in 1790 and so on. These people are extremely proud of the fact that their families tend to stay on the farm and they would like, if possible, to preserve that tradition. I know that, in a great many instances, only an increase in the maximum amount of these specific types of loans will make this objective possible for our people.

Mr. Horner (Acadia): Mr. Chairman, I have been interested in this legislation for some time. In fact, I spoke at some length on it the last time it was brought before the house in 1961 and I suggested some changes at that

[Mr. Gauthier.]

time. I do not intend to deal with those particular suggestions again, although I have hopes that they may be incorporated in the bill when it is before the house. The bill to be based on this resolution in fact will increase the capital of the Farm Credit Corporation from \$12 million to \$15 million so as to increase the lending capacity of the corporation from \$300 million to \$400 million. In that sense this is a regular step because, when this government took office, the capital of the Farm Credit Corporation was \$4 million, with a total lending capacity of something like \$80 million. Certainly under today's modernized system of lending money to farmers, this amount would no longer be sufficient to make it possible to handle the amount of loans outstanding. At the present time the loans outstanding amount to approximately \$200 million. They have been made within the last three years.

Actually I was greatly interested in the remarks of the hon. member for Roberval. He dealt at great length with the Social Credit theory of finance. It is interesting, Mr. Chairman, to compare his remarks with regard to capital with those of the leader of his party. The leader of that party said, as found on pages 602 and 603 of *Hansard*:

I believe the capital for this type of credit, rather than coming from tax capital ought to be available from private investment capital because it is productive capital.

In other words, the leader of the Social Credit party wants private investment capital to do this job and, as near as I could gather, the other member wants the government to print the money. That is quite a difference between two very able spokesmen for their party. So far as private investment capital is concerned, I wonder where you would get private investment capital to make long term loans to farmers at 5 per cent interest. I wonder how this could be accomplished in today's business circles.

An hon. Member: Not now.

Mr. Horner (Acadia): I hear "not now" from some hon. member over on the Liberal benches. When dealing with interest it is interesting to point out that when such legislation was first introduced in 1929 the Liberal party was in power and there was a 6½ per cent interest rate on all money lent to farmers at that time. That remained in effect until a Conservative government reduced it to 5 per cent.

Mr. Argue: You are the only party that reduced the ceiling maximum.