

Farm Credit Act

before has this industry been so badly in need of long term credit. Let me commend the operations of the Farm Credit Corporation in the past. If I had any criticism to offer I would say it has asked for too much guarantee and has not approved a sufficient number of loans to support the individual farmer.

I have not known of two brothers who were farming together who had much trouble getting money. There always seems to be money available for this type of operation, which is of a concentrated nature. They are not necessarily the most efficient farmers, but certainly the government is promoting the establishment of this type of farm through this type of farm credit legislation.

In my own area and throughout the constituency of Crowfoot there are brothers who farm together. I commend them for this, and there is very little that can be said against this type of operation. However, the backbone of the agricultural industry is the family farm. This bill and the proposed amendments will change the situation drastically. There will be a tendency on the part of farmers to create corporate farms. In this way they will be able to qualify for loans of \$100,000 or more, whereas the maximum an individual farmer might obtain will be something in the neighbourhood of \$40,000.

The hon. member for Shefford quoted the speech of the Minister of Agriculture, which I quoted earlier, in which the minister suggested that the cost of land would go up if money was made available. He suggested that this in fact has been the case, and I agree with him. Let me take this one step further. If this has been the case in the past, what will happen in the future when the government is prepared to give \$100,000 to two or three brothers who farm together in order to purchase property? The individual farmer will be able to obtain only \$40,000. Who do you suppose will be able to pay the extra \$1, \$2 or \$5 per acre for that piece of land? There is no doubt in my mind that the corporate or single family unit, as the minister likes to describe it, will have the money to buy that acreage. That type of operation will grow, because brothers will be in a position to pay the extra money wanted by the farmer who is selling out. That farmer wants the highest price he can get, and I do not hold that against him. If the minister makes more money available to this type of operation he will increase the cost of land.

If this is what he wants, and feels is best, he will eventually end up with state farms like they have in Russia. Two farmers will

[Mr. Horner.]

not be able to farm together as successfully as five farmers, and five farmers will not farm as effectively together as ten. In ten or 20 years from now we will have state farms, and as a result of this legislation they will actually be state farms because of the money the units will owe the government.

The minister shakes his head in a negative fashion, but he has not changed my views by the remarks he has made. I asked him whether the individuals applying for loans would have to be engaged actively in farming and living on the farms, and he replied that they would have to be actively engaged. I suppose these people could go to the banks and borrow money, and then turn it over to managers. I am not sure that is the case, and I am not sure that would constitute being actively engaged.

At this time we must be very careful about where we are going as a result of clause 1 of this particular bill. Let us not forget the value of family farms. I am in complete agreement with the Minister of Agriculture that farmers may tend to join together to survive. I cannot accept this policy of the government which seems to indicate that the family farm is not an efficient operation and cannot survive. I firmly believe that these are efficient operations, and that an equal opportunity should be given to the individual farmer.

Let me remind the minister of the permit book system adopted by the Wheat Board. Two brothers farming together on a single farm unit receive one permit book, and an individual farmer on a single unit right alongside would also have one permit book. The minister has come up with a bill which will allow the corporate farm units to obtain loans of \$100,000, whereas individual farmers may only obtain a maximum loan of \$40,000. This will invariably put a group of farmers in a better position to buy the land in a particular area and it will inevitably increase the cost.

When talking to officials of the minister's department I have been told that two farmers operating together are better off financially than an individual farmer, and as a result are in a better position to pay back their loan. I do not disagree with that suggestion. Two or more farmers operating together have a built-in labour force, and more initiative because they are directly involved. I do not believe the government should go out of its way to promote one operation against another. It has been my belief that the government should provide equal opportunity. If we follow the