

Farm Credit Act

take together is to convince the Canadian consumer that he finally does not pay too much for food when compared with other consumer products he buys. That is the main point which we must attack.

Some mention was made, and with reason, of the decrease in the number of farms. Mr. Speaker, this situation has started many years ago; it is therefore not new. The phenomenon is not found only in Canada, it is world-wide. Consequently, it is unreasonable to attack the government. It is a normal evolution taking place in modern society. Cities attract people. Industrialization attracts people. Many things in large urban centres attract people, education, recreation and living facilities.

For all those reasons, unfortunately, the young are attracted to urban centres and it is very hard to find people to follow up in agriculture. Only by providing farm producers with a higher income shall we be able to ensure this. I am sure that young people will engage in agriculture if they know that they can make a decent living, and this is one of the challenges which we must face together.

Some hon. members have said that the interest rate was too high. They think that if the interest rate was set at 5 per cent, the problem would be solved. No, Mr. Speaker, it would not be. The best example I can give is that of the interest rate paid by Quebec farmers, who can borrow money from the Quebec Farm Credit Board at 2½ per cent. And yet, a figure was quoted last week which showed that 25,000 farmers in Quebec, which is about half the farmers there, were in receipt of some kind of welfare payments. Obviously, this cannot be due to their paying too much interest on their loans, since the rate is only 2½ per cent, and yet they are still in a very difficult situation.

Interest rates are not the issue. Of course, they may mean \$500 or \$600 per year. But this is not the only cause of depression in agriculture, and we will not solve the problem by reducing or by pegging interest rates.

Young people cannot start off in agriculture. Sure enough, it is hard for a young man to start off in agriculture, but it could be easy for him if we still looked at it the way we did 30, 40 or 50 years ago, when a father used to bequeath to his son the property he had developed and acquired and which had been paid for the most part. That principle is still applied within the family farm which is endangered according to some people. Those who have a family farm believe in that despite what can be said here in this House. Instead of selling his son the farm he had developed and which was almost entirely paid for, the father used to transfer it to him so that he would not inherit a debt of \$25,000, \$35,000 \$60,000 or \$80,000 which he would drag all his life and which would force him to raise a minimum of cash in order to qualify for a loan.

If the family farm were transferred, as it is being mentioned, there would be no problem for any young man interested in agriculture. Unfortunately, that is not the case nowadays. We understand very well why the young man finds it so difficult to get the operation going.

In concluding, Mr. Speaker, I should like to refute the two amendments on which we shall be voting in a few minutes.

The Progressive Conservative amendment would have us write off part or all of the interest on loans to young [Mr. Lessard (Lac-Saint-Jean).]

new farmers. That is an excellent idea, I think, and it would be ungracious to say the contrary. But if we read the proposal, we realize that a vote for that amendment would kill the bill now before us and we would have to start all over again. It means killing the present bill.

I do not think we can approve this amendment, because of its immediate negative consequences, even though the objective is not necessarily bad. This is a good amendment, but I doubt that it would be an ideal answer and that it would attract a greater number of the younger people to farming.

As for the sub-amendment moved by our friends of the New Democratic Party, they obviously establish a distinction as to the qualities on which young farmers would be selected for obtaining interest deductions on loans. They would like to see the selective process eliminated from the proposal made by the Progressive Conservative Party. I am sure that, if a selection has to be made within a selected group, things will get much more complicated and I agree with them that those who would have to appraise the qualifications and skills of young farmers would have a difficult job, a job in which appraisals could be arbitrary to a certain extent. From that point of view, I agree with them and if subsequently the government was to introduce a measure to encourage young people to engage in agriculture or to stay on the farm, selection criteria should be examined very carefully in order that they do not include too many arbitrary elements.

This being said, Mr. Speaker, I suggest that the House reject these two amendments so that the bill may be referred immediately to the Committee on Agriculture for consideration. I hope it will be examined quickly so that it comes back to the House to be passed and that Canadian farmers may take advantage of it immediately.

[English]

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the amendment to the amendment. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the amendment to the amendment (Mr. Knight) which was negatived on the following division: