

Farm Credit Act

of land? There are very few farmers down there who can build up enough assets on their land to warrant a loan. Therefore, we have had to try new techniques. The technique there is to lend money on the character of the person concerned—to lend him money on the opportunity which exists, and not on his having any tangible assets at all in many cases.

When people say that we turn down 55 per cent of the applications, believe me, Mr. Chairman, that it is only after every bit of effort has been made to see how we can help the applicant concerned find a plan which will make it possible for him to make more money. That is the key, and that is the difference in method from that of those people who have been talking about lending to small farmers. We think this is a criminal act of injustice to the small farmer, to lend him money if he cannot pay it back; you put him in a worse position than he was before.

That is where we differ 180 degrees right down the line from the Liberal party. All they asked when they had their farm loan board was: "How many bucks have you got in the bank? How many dollars have you got in bonds? What is the value of your property, your house, your wife's house, your mother's house and everything else?" And their record is shown on this chart I have here: they are barely able to get on the chart from the amount of money they lent us in those years when we needed it so badly.

Today we ask only one thing: Will this loan make it possible for this man to make more money for his family? We are not going to lend money to anybody if it is going to put him in a hole where he is always under this debt. It is better to be honest. I want to thank the hon. member for Timiskaming for bringing that point out tonight, because he does read these reports issued by the Farm Credit Corporation about what we are trying to do. We have never turned a man down because he was small, in the sense of smallness of farm or unit. We have turned the man down only if he has not been able to show a plan that will enable him to give some opportunity not only to pay back the debt but also to give his family a living during the paying back of the debt and to make some money from having borrowed some.

An hon. Member: How will he do that if he cannot get credit?

Mr. Hamilton: Mr. Chairman, one thing I learned on the farm was that you could tell how full a barrel was from the sound of it. If there was a lot of noise it was empty. Mr. Chairman, I know my time is about up,

but this is the key point. The definition of a small farmer is not governed by the size of his acreage. The definition of a small farmer is his lack of ability to make money to give his family a living on his farm.

For example, last year we lent approximately 2,500 farmers sums of less than \$10,000. So far this year we have lent 1,465 farmers less than \$10,000. Those who consider that \$10,000 is a large amount are not farmers. I listened tonight to the hon. member for Lincoln, and when I heard him talk of raising the amounts under part II and part III from \$30,000 to \$40,000 I immediately said to myself: That man must have some knowledge of farm problems. I do not know what his occupation is, but the minute he mentioned the figures of \$30,000 and \$40,000, that is the type of request we get from farmers. No farmer wants to be given \$2,000 and told to go and do what he can with it, because it is cruelty. But if \$2,000 would help him increase his income, we will give it to him. That is the way it works.

My point is this; I do not know whether or not I have made it successfully. I agree that the purpose of the Farm Credit Corporation is to strive toward building economic farm units in Canada. Not only should an economic farm unit pay to farmers some of the return on their capital, but it should also pay him something for the labour of himself and his family and raise him to a level where he feels that he is doing just as good a job in society as the man in the city. At the present time that equality is not there. But I hope we never define him so rigidly as to say that this is the line or that is the line, because in some areas to some people a net income of \$2,000 or \$3,000 per year is an economic living. In other areas and with other people it might be \$4,000 or \$5,000. So I simply say, let us make it a more economic family farm unit which we are trying to achieve, and I do not think that anybody would argue that. But do not ever accuse the farm credit people of turning down loans to small farmers. Accuse them if you will of asking a farmer in his own interests to produce a plan which will show that he can make more money by borrowing money. If people give me cases like that I will be glad to take them up with the chairman of the Farm Credit Corporation and tell him that he is not doing what the directive in the act and the regulations calls for.

In all fairness to the members of the Farm Credit Corporation—and there are not many of them; there are about 200 of them across this country—I must say that they have done a magnificent job. However, that does not mean that as minister I am entirely satisfied with everybody. I have been around to meet