

*Farm Credit Act*

tion which occurred in the dairy industry a few years ago. I remember being part of the group of industrial milk producers which came to Ottawa on May 15, 1967, to protest excessively low prices and to ask the government to improve its dairy policy. At that time, we had made representations, and the government had promised to introduce a long-term policy designed to improve the situation. To be quite honest, I must recognize that improvements did take place and that the situation of industrial dairy producers was much better in 1971 than in 1970. But it should not stop there.

When, in a field like the dairy industry, there is a trend toward improvement it should continue. Even yesterday I received a representation from a producer. It is all very well for the government to do its utmost to maintain prices, but the co-operation of the industry is also a requisite.

On March 29, I believe, the minister announced the new dairy policy for the year 1972-73 and, quoting from memory, I believe he mentioned that industrial milk would increase by 20 cents or more. I have here a notice sent to a producer, who forwarded it to me, which reads as follows:

On March 30 last, the federal government announced its dairy policy for the year 1972-73. The only change is an increase in the support price of powdered skim milk by 0.03 cents a pound.

In keeping with this policy and pending completion of negotiations for a new agreement now taking place with the Federalism of Industrial Milk Producers, we are increasing our basic price for BULK MILK, Grade A from \$4.25 to \$4.40 and Grade B from \$4.12 to \$4.27 per cwt.

The increase is of 15 cents only. I will be told that this is just pending completion of negotiations between producers and the Federation. However, knowing the facts I remember only too well—unfortunately—that in the past increases granted by the federal government did not always fully benefit the producers of industrial milk.

• (1710)

So, if you take the basic price of \$4.25 and add the subsidy, you only get \$5.50. This is what we were asking for when we made representations to the government in 1967. We got it, but production costs have gone up since then. The producers now get a better price but production costs have also increased to such an extent that the situation tends to deteriorate. I commend the members of the Canadian Federation of Agriculture for bringing this matter to the attention of the government.

In another agricultural field, we witnessed the disastrous situation faced by hog producers. I have called the attention of the Minister of Agriculture on this matter on many occasions and I admit that something has been done. But the fact remains that the Canadian Federation of Agriculture is asking the government to improve the lot of hog producers. Their resolution reads as follows:

(a) That the federal government in 1971 raise the level of support prices for hogs by 80 to 90 per cent of the five-year average and that payments be made twice a year and for all graded hogs; and

(b) That the Canadian Federation of Agriculture urge the Agricultural Stabilization Board to implement a stabilization program with holdbacks.

(c) In order to maintain a balanced supply and some stability in the hog industry, that the federal government make an extra

[Mr. Lambert (Bellechasse).]

payment of \$20 per sow up to a maximum of 50 sows per producer to cover the period from July to December 1971.

Having received many briefs and letters concerning this matter from producers in my constituency, I have promised them that I would avail myself of the first opportunity and bring their just claims to the attention of the government. I have here a petition requesting all their representatives to convey the message to the government.

All of this to say that some sectors of agriculture were hit by a recession in 1971, and that a worse situation may be in the making for 1972. It is very nice indeed to consider increasing the borrowing ability of farmers up to \$100,000, which, in some cases, may prove useful. But I think that we must take right now the necessary steps—and, if at all possible, imagine new ones—to ensure that the borrowers of today are the owners of tomorrow, and to provide them with the income which will permit them to reimburse their debt, both principal and interests.

To achieve this, half of their income should not be used to reimburse the interests on their loan. In its brief, the Canadian Federation of Agriculture has included a relevant proposal. As a member of this House, I have promised them to serve as their spokesman and, with the gist of their brief in mind, to invite the government to improve the situation in this area as well as in all the others.

In fact, the resolution reads as follows:

The Canadian Federation of Agriculture recommends the implementation of a comprehensive credit program at the federal and provincial levels in order to make available to farm operators short, middle and long term credit. This aim could be reached through a national credit co-operative system with two services: (a) a farm co-operative credit organization to help viable farm operations; (b) a credit service for rural development to help farmers who are trying to make a success of their business.

With regard to the interest rate, the Federation recommends the following, and I quote:

IT IS THEREFORE STIPULATED that the Canadian Federation of Agriculture is trying to obtain an interest rate, in respect of all loans granted by the Farm Credit Corporation or under the Veteran's Land Act, that will be established on a more stable principle and should not exceed 5 per cent.

Mr. Speaker, those are worthwhile recommendation that should be acted upon with a view to achieving the desired result, which is to enable farmers as well as egg, hog, poultry and beef producers, to meet their obligations, so as to maintain a constant balance between income possibilities and what is required of producers and distributors.

Mr. Speaker, the speech delivered last night by the Minister of Agriculture, there was something that pleased me and which will please, I think, a great number of people, because this problem is a recurring one. We had stressed it, I believe, when the Farm Credit Act was amended in 1968 or 1969. At any rate, I remember that we had drawn the attention of the Minister of Agriculture to this inadequacy in the act.

The minister said yesterday as reported on page 1843 of *Hansard*, and I quote:

—The amendment in this bill provides for a maximum of \$100,000 to any farmer alone or jointly with others or in respect of a single farming enterprise. The size of individual farm units is increasing steadily—