encouragement of land investment. The land has been acquired and has been farmed extensively in the prairie provinces for the past 50 years or so. What we need is more mechanization and more processing of agricultural products.

The Farm Credit Corporation indicates that 1.2 per cent of the money lent was for equipment and that 1.8 per cent was for livestock. We are not trying to catch up to our United States competition. We are keeping our loans low in respect of mechanization which is so badly needed. The agricultural program which is now being carried on in the province of Saskatchewan is wrong. The government of that province is spending $14 million to purchase land. The land is there. What we want is more production which might have the effect of lowering food costs.

In looking at the 1972 report of the Industrial Development Bank, we see the same thing. Approximately 60 per cent of the money lent is for the purchase of land. As I have said, we have the land and must have more money for the mechanization of the agriculture industry in order to have a greater productive capacity per man so that we can catch up to our competitors to the south. If our present practice continues, we will see an increase in the amount of agricultural goods imported into this country. I believe this is wrong. I should like the new Minister of Agriculture to take note of the change which should be taking place in the Canadian agriculture industry.

I was disappointed that the question of Farm Credit Corporation loans was not contained in the supplementary estimates. The former minister of agriculture allowed the interest rate on Farm Credit Corporation loans to increase to 8.75 per cent. I am disappointed that the farmers of Canada were not given an opportunity to refinance their loans because now the interest rate is down to 7 per cent. The feed and the mortgage companies have played a great part in the intensification of agricultural production, but they have done it at high interest rates. This has made it far more difficult for the farmers to catch up to their American counterparts. To me this is disappointing, and I would like to see somewhere along the line, a review of the whole concept underlying the Farm Credit Corporation. We have land. We do not have to push back oceans as they do in Holland. We should not spend so much time on changing ownership but we should put money into the capitalization of our industry to allow our workers to catch up with our major competitor.

• (1700)

There has been a suggestion regarding the payment of $12 million mainly in eastern Canada, a payment of $400 per farmer. An additional $4 million for feed freight assistance is merely patchwork assistance, something to sustain the farmers through the present winter. This is certainly no long term solution of the problem. When one considers the anxiety in the minds of the consumers regarding food prices, one has to discover where our agriculture industry went wrong. The former minister was concerned about farmers buying too much machinery, but basically they never bought enough. We had the situation in the Prairies where instead of providing more money for the agriculture industry, the government withdraw and tightened up. No wonder the arrears in Saskatchewan, Manitoba and Alberta total well over 20 per cent of the loans. These arrears arise when the banker cuts off the money supply. The Farm Credit Corporation has not been extending the same loans to the industry. In my opinion this is wrong.

We have to be readjust the program because this particular item under Schedule A deals with saving 26,000 farmers through the payment of $400 an acre. I wonder how many farmers are suffering in other parts of the country, because the amounts due, as contained in the annual report of the Farm Credit Corporation, total $8,-616,000 over $7 million of that being in the three prairie provinces. If the $400 a year were paid to every farmer, it would not even amount to the $7 million. Certainly, farmers in that area are suffering when their crop is hailed out or watered out, as has happened in eastern Canada. Certainly, farmers in the Peace River area are not receiving the same consideration, since they have had four bad years and they need assistance and understanding. The Farm Credit Corporation has had to foreclose on the loans of many of these farmers, and to me this is a sad situation.

It is my belief that we have not put enough money into the agriculture industry and that is why farmers are going broke. How can we develop the agriculture industry? I wonder whether the new Minister of Agriculture has travelled through parts of the United States and has seen what they are doing there to develop their agriculture industry. I wonder whether he has seen the irrigation projects in the Moses Lake area, perhaps with the use of Canadian water from the Columbia River. We should do more of that type of thing. We should increase our agricultural production and encourage that industry so that we can meet the opportunities that will unfold internationally through the creation of greater demand for our agricultural produce. If we do not, food prices will increase substantially in Canada in the next year, and very little can be done about that unless we increase our production to meet both Canadian and world demand.

While approving Schedule A, I wish that the government had approached the matter with greater depth and scope. Even in the supplementary estimates, they could have brought in changes to alleviate the problems of the agriculture industry to a greater extent. I look with great hope to the present Minister of Agriculture. Perhaps he will bring a breath of fresh air, new ideas and new thought to the industry. I hope he does not encounter the same problems which faced the previous minister by accepting what the department officials tell him to do and not going any further than that. A completely new look must be given to the agriculture industry to increase production and to create greater stability. We must ensure that if one farmer suffers damage to his crops this will not mean that he is left without anything to sustain his family and himself throughout the winter months until the next crop is ready.

The Chairman: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Social Security—Old Age Pensions—Introduction of legislation to provide increase—Consultation with provinces; the hon. member for Bellechasse (Mr. Lambert)—Man-