

Farm Credit Act

record one paragraph from the 1962 report of the Farm Credit Corporation:

It is the corporation's policy to encourage borrowers to reduce their outstanding obligations by making prepayments on their loans. At the end of the fiscal year 92.1 per cent of all mortgage loan accounts were in good standing as compared to 92.5 per cent as of March 31, 1961. A total of \$15,196,731 of principal was repaid during the year, of which \$11,294,011 was received in payment of principal not yet due.

I think it is important that these repayment figures should be stressed during any debate on farm credit. The figures make it very apparent that farming can be operated on a business basis, just like any other business where proper use of credit has always been the normal method of operation. That is what this government is doing under its long range farm policies, helping to put farmers on a modern business basis.

The hon. member for Assiniboia, who I believe harvested a very big crop himself, makes his usual assertions that things are very bad for the farmers.

Mr. Argue: Getting worse.

Mr. Pascoe: Then he proceeds to contradict himself. Here is what he said as reported at page 598 of *Hansard* for October 16.

The total investment in the agriculture industry of our country is some \$11 billion. The total outstanding credit, bank credit, credit from the Farm Credit Corporation, credit from credit unions, obtained by the agriculture industry is just over \$880 million. This means that the farmers have only some 8 per cent of their assets in outstanding indebtedness.

I agree that the position of farmers can be improved, and in the last few years is being improved. And as we all know, there must be further adjustments upwards in the farmers' economic position. As I said earlier, under this government these upward adjustments are continuing. Last session when we were considering an amendment to increase the lending capacity of the Farm Credit Corporation, one C.C.F. member, now an N.D.P. member, said he feared that farmers were trying to borrow their way into prosperity. I can agree with this statement. The main objective of the measure proposed by this resolution is just that—to provide a greater opportunity for farmers to borrow themselves, as the hon. member said, into a more prosperous farm economy. Other speakers have pointed out that adequate farm credit is essential in modern farming. By lending \$80 million this fiscal year on a long term repayment program the government, through the Farm Credit Corporation, recognizes this fact. When properly used credit is a vital means of obtaining and utilizing the farmer's productive resources of land, labour, and equipment. A loan to a farmer after careful

assessment of all the factors involved in his individual operations should not be regarded solely as a debt. The loan, in fact, can be taken as an indication of good farming if it is in reasonable balance, in size and repayment terms, with the "potential" of both the farm and its operator and if it is used to increase farm production through larger acreage, greater efficiency or improved living conditions. As one farmer expressed it to me, Mr. Chairman, modern power farming requires tractor power and borrowing power. That is why we welcome this new move to help meet the requirements of this farm borrowing power.

I referred earlier, Mr. Chairman, to the latest report of the Farm Credit Corporation. It is a well documented statement and I hope that each member of this house reads it carefully. I wish that all Canadian farmers could read it. In referring to this annual report I wish to pay special tribute to Brigadier Rutherford who has had a great deal to do with the present effective operation of the corporation. Brigadier Rutherford has retired as the active head of the corporation, but we are all pleased to learn that he is continuing in an advisory capacity. If I may, I should just like to put on the record this brief comment in the report with regard to Brigadier Rutherford's services:

Brigadier Rutherford brought to the service of the corporation the unique qualities that have carried him through a distinguished career in the public service, first as a soldier in two world wars and then as a senior executive with the Department of Veterans Affairs. It was in this latter capacity as Director of the Veterans Land Act from 1947 to 1959 that he introduced the use of advisory services in the administration of farm credit and demonstrated the advantages of such service in promoting the productive use of credit. In two and a half years as chairman of the corporation, he directed the organization of its administrative structure, the recruitment and training of staff, and the establishment of procedures which enabled the new agency to handle an unprecedented volume of loans. His promotion of the use of credit as an active agent in bringing about the adjustments so necessary to the agricultural industry will have an increasingly significant influence upon the entire Canadian economy.

I am very pleased, Mr. Chairman, to read that paragraph into the record as I think we all agree that the services of Brigadier Rutherford were extremely valuable in establishing this Farm Credit Corporation. I am sure we are all pleased that he is continuing in an advisory capacity.

The minister said that the proposed increase in farm credit facilities is designed to fit in with the government's whole long range farm policies. From talks I have had with farmers I know they are beginning to see how the whole agricultural program is now taking shape and is achieving definite results.