

*Canadian Farm Loan Act*

to them to be more than they are able to carry but which could be introduced in a much more satisfactory manner than is now taking place.

I think the government should take a close look at the situation with regard to agricultural credit. In order to do this they should examine the situation in the light of the experience the government has had with the Veterans Land Act. Under the Veterans Land Act the situation has been handled a little bit differently from that in which it has been handled in other government boards in so far as they are willing and deem it necessary to supervise credit. I know of cases where the veterans land agents have come to a farmer and said: If you increase your holdings, if you buy the farm across the road, if you go into this type of operation rather than the one you are in, if you will expand your buildings, we will give you this amount of money. They are willing to assist the farmer in a repayment program. They will supervise his purchases. They will supervise the type of crop that he grows. In the majority of cases they are successful. In fact, the record as to the number of failures under this supervised credit that is being extended by this branch of government has been more than satisfactory in the cases that I have known of. I understand that the loss is almost negligible.

While we are in agreement that this legislation is advantageous to the farmers, I personally know of many young farmers today who would go into farming if they were given some supervision in the operation of their farms. This is nothing revolutionary. It is the type of program that the banks have used for many years where they have said: You show us your receipts; we give you the money on a graduated scale and you bring your receipts into us and pay your expenses out of that, and the rest of the money that is left over goes into paying off the loan. In many cases the farmer is faced with the proposition of having on his own to make a decision that he is not too sure is going to be a successful one. I think the government should offer him a much more comprehensive type of supervision than has been offered by the Canadian farm loan board.

We agree with the Canadian federation of agriculture also in the expansion of this credit. We think that 30 years is not long enough. We think that farm stability is such that 40 years would be a satisfactory period of time. Because these loans are so stable and because these loans in the past have had such a high repayment rate and there have been so few cases of inability to pay, we think that the interest rate on agricultural

loans must be not more than 3 per cent and possibly, if the matter is under supervision, it could be lower than that.

Also in my own area—and I think this is true in general—while you could start farming on a farm that you could purchase, that would carry an average family; you could purchase that property equipped for \$10,000, ten, fifteen or twenty years ago. It is no longer possible to do that. I think many of the members must realize just what proposition is faced by a young farmer if he wants to go on a farm. In my own area on an average farm that will maintain a family, the land will cost \$8,000 to \$10,000; the buildings will run upwards of \$15,000. This includes a home that would be comparable to the homes that they would have if they were living in the city and working in an industry. The machinery to operate a farm in Timiskaming—and I refer to a mixed farm—would cost \$5,000. To operate that farm in order to return to the family a standard of living to which they should be entitled, the stock will cost another \$10,000. Hence we have an outlay of \$45,000.

I think that even a limit of \$20,000 for a mortgage is an unreasonable amount of money because in Timiskaming if you bought a farm for \$20,000, equipped and ready to operate, the contracts that you would have even in the milk producing industry would not be sufficient to pay for that farm in 30 years and keep the family. It is all right if the wife is going to run it and the man is going to go out and work. But I do not think that is the method of agriculture that the minister contemplates when he suggests raising these loans.

So that while we are in agreement and appreciate on behalf of the farmers in Ontario these increases in the capitalization of the Canadian farm loan board, we think that a great deal of consideration in committee must be given to a much more satisfactory way of supervising credit than we are going to be extending to agricultural people and the agricultural communities of Canada.

**Mr. Herridge:** As a member who loves hogs, Mr. Chairman, and as one who has raised a good many of them and who represents a large number of small farmers and fruit growers may I say that to date I have never seen any of them down south of the line on winter holidays. They do not go to Florida or California. However, I am under the impression that the member from the prairie constituency who mentioned that matter represented a small minority of prairie farmers with possibly large acreages and under very favourable conditions. I do not think for a moment those are typical conditions. In any event, I just rose to express