

*Farm Credit Act*

est. He may have other skills in other fields of social science which may contribute to making a good decision, but they are not necessarily a part of the body of knowledge associated with that involved in calling upon the services of a professional economist. When comments of this nature are made, I hope it will be kept in mind that all too often it is society which has assigned to the economist a role which does not properly belong to him. I certainly acknowledge there are many economists who would be only too happy to accept the glory that goes with the role assigned to them by others and, in some cases, without validity.

When we take note of the role that farm credit plays in the rural community, it is important that we keep in mind what happens to many small farm communities throughout Canada which are presently facing a very serious situation. When touring various parts of Canada in recent years, I became very disturbed about some of the trends I saw. I not only witnessed the deterioration of some smaller communities which provided valuable service to the farm industry and people engaged in farming, but I witnessed the haphazard disintegration of some of these communities, involving both the farming sector and the small urban sector. This is very disturbing. It is not taking place as a result of rational planning or rational decisions made within whatever available framework we establish. It is happening by some sort of process which is very difficult to visualize and very difficult to tackle. It is happening in the absence of any sort of planning framework for our rural communities. This is of very great concern to many of us.

It is inevitable that there is going to be a process of rationalization take place in many of our rural communities. There will certainly be changes in transportation, communities, economics and other factors involved in carrying on business and providing services. This carries with it consequences for farmers and smaller communities. However, the changes are taking place without any thought being given to developing an alternative structure and a new framework whereby we can ensure an adequate level of service to the farm community.

Unless we ensure that adequate services are available to farmers, it will be much more difficult for farmers to develop a viable, efficient and economic farm enterprise in the long run. It is important that we keep this in mind as we consider this bill and other elements of government programs. Both federal and provincial governments must play a leading role in ensuring that the rural community survives in Canada and that the rural community is healthy, vigorous and making a viable and important contribution to the overall Canadian economy. If we do not have a healthy rural economy and rural society, it will be very dangerous for Canada from a social or economic point of view.

• (1510)

Rural Canada has played and continues to play a vital role in the Canadian economy. Whenever we have witnessed a turn-down in the economy, it has been largely due to difficult conditions in the rural sector. Everyone in Canada should keep this in mind. I see in many parts of the country the destruction of rural society. Rural Canada is in the process of being destroyed in the absence of

effective policies to ensure that those who compose it enjoy standards of living and income commensurate with those provided in other sectors of the national life. No planning framework is being developed to ensure the continuance of a healthy and vigorous role in society. It would be dangerous to allow the present process of deterioration to continue. Any government which permitted this to happen would deserve a black mark against it, yet very little has been forthcoming under the leadership of hon. gentlemen opposite to ensure the maintenance of a vigorous rural society.

One element of a possible policy would be to ensure that young people are able to enter farming or remain in the smaller communities which serve the agriculture industry. A great deal of attention has been paid to this subject in various quarters. Lip service has been paid to the principle and token gestures have been made, but what has been done up to the present has been ineffective, proof of which lies in the continuing and increasing exodus of young people from rural communities. At present, rural communities are made up for the most part of old people on the point of retirement. Those who wish to take up farming, those who wish to stay in smaller communities, find it impossible to do so bearing in mind the amount of capital investment necessary to establish themselves in business. In most cases they move to the larger urban centres where they can often get jobs without a comparable effort in investment and labour.

Many farmers find themselves locked in, spending a lifetime paying off their land debts. Hon. members are familiar with the saying that many a farmer has lived poor and died rich. This is often the case; the only way in which the farmer has been able to build up a viable enterprise has been by incurring debts and then depriving himself and his family of many of the things which ought to have been theirs if they had been able to enjoy a standard of living comparable with that of others in our society. In some cases, when the time comes to retire, their position is not a bad one if they have managed to survive over the years, but it was only made possible as a result of a lifetime of hardship. This is a factor which contributes to a great deal of the poverty which is now evident in Canada and which is proving such a millstone around the neck of our society. Unless we deal with it we shall never be in a position to abolish poverty in Canada.

I am concerned about the whole question of interest rates as they affect rural communities. We debated this subject a few years ago when the government decided, as a matter of policy, that it would raise interest rates above the 5 per cent level which had been placed in legislation in previous years, and adopt a rate based on a formula linked directly to the current bank rate. This, as the hon. member for Essex (Mr. Whelan) pointed out, involves giving priority to strictly economic considerations. I say it is wrong to act on a basis of economic considerations alone when dealing with these matters. In such situations it is necessary to make social judgments and social values should take priority. I believe we should throw out the provision leading to the higher interest rates which have been in force during the past few years; unless we do so the agriculture industry will continue to be locked in the situation which it has known for far too long.