

*Farm Credit Act*

tion, like myself, took note of the recommendations and concerns they have expressed during their various interventions.

However, several hon. members commented on the amount of the arrears on the Farm Credit Corporation loans, especially in the Prairie provinces. Perhaps it might be advisable to examine the reimbursement situation in a much more positive light. By the end of the last financial year, on March 31, 1972, the situation in the Prairie region was as follows.

In Alberta, 12,868 farmers, that is 80.7 per cent of those who had borrowed money, were keeping up with their payments; in Saskatchewan, 15,880 farmers, that is 80.2 per cent, were in a similar situation; in Manitoba, 4,930 farmers, that is 79.3 per cent, were paying back their loan regularly.

With regard to the two central provinces of Canada, Ontario and Quebec, 13,199 Ontario farmers—92.7 per cent—and 7,152 Quebec farmers—93.1 per cent—were not behind in their payments.

This, Mr. Speaker, indicates that the situation in the Prairie region was a little more difficult than in Ontario or Quebec, which is understandable, since the amounts loaned in the Prairie region are quite important, as well as the amounts invested. Moreover, for the last three or four years, the slump in wheat sales in the Prairie region certainly had something to do with late repayments.

But in 1971, and this year, it does seem that income will become normal once again and that the Prairie farmers will fast make up for those arrears. To my mind, if the economy maintains itself, within two years at the most, those farmers should have made up their losses and have come back to the normal rate of delayed payments.

A survey of the situation throughout Canada reveals that 58,433 farmers, that is 84.6 per cent of all borrowers, were up to date in their payments by the end of the financial year.

These data must also be studied in the light of the recovery policy of the Corporation. When a borrower finds himself temporarily in financial difficulties, for reasons beyond his control, when payments would cause him hardships, the Corporation takes steps to defer them. I am convinced the hon. members will agree with this. Had the Corporation adopted a rigid attitude, the situation with regard to arrears would be very different. It would certainly be unfair to base ourselves on statistics concerning arrears to come to the conclusion that farmers are on the verge of bankruptcy, when the present conditions are partly due to the conciliating and moderate reimbursement policy of the corporation and depend of international conditions which have improved during the past few months.

In addition, Mr. Speaker, many members have made some comments on the provisions of clause (1) of Bill C-5 which would authorize the Farm Credit Corporation to perform other duties concerning the application of other farm programs on behalf of the government. I would like to point out that the said clause does not authorize the government to carry out the small farms development program nor any other farm program. The House has already authorized the expenditures concerning the small

farms development program. Expenditures related to any other program should also be authorized by Parliament.

Clause (1) of the bill merely authorizes the corporation to carry out for the government programs previously approved by Parliament.

The corporation keeps a staff that it well versed in farm management, farm land appraisal, as well as property transactions. Furthermore, this staff is allocated throughout all agricultural areas of this country. It seems logical and reasonable to use the technical knowledge and existing administrative services of the corporation for the administration of certain agricultural programs, such as the small farms development scheme. It would surely be preferable to proceed thus rather than hire new employees and set up new administrative services which would only be used for the application of programs very closely connected with the work already done by the corporation. Such measures would allow better co-ordination of programs, avoid overlapping, and would be more efficient and less costly.

Having said this, Mr. Speaker, I would also like to refer to some other points, only a few of which have been raised.

Some hon. members have mentioned the fact that farmers are too far in debt already, and have said that this bill might cause them to get even further into debt. As far as straight figures are concerned, it is true that farmers may get further into debt, but this is not the only facet of the problem to be considered, as it is not merely a matter of getting into debt, but also a matter of assets.

• (1540)

Whether a farmer owes today \$50,000 or \$75,000 on properties worth \$100,000 and \$125,000 or whether he owed, 20 years ago, \$10,000 or \$15,000 on properties then worth \$25,000 or \$30,000, is absolutely the same thing.

Of course, the absolute figure has been increased, but proportionately speaking, I do not think there has been any substantial change.

Nowadays, people talk about low investment profits. Surely, everyone acknowledges that agricultural investments today do not yield what they should. But this is not attributable to credit as such. It is partly the result of our economic structures and of economic circumstances both Canadian and international. This is the main reason why farmers get such low prices for their end products. This is the source of all evil. The problem lies at this level and it is there that we should strive to rectify the situation as best we can, and although the soon to be established national farm products marketing agencies will certainly be a step forward—but not necessarily a solution to the problem—on the road to recovery for a better income in respect of the work and productivity of Canadian farmers.

I think we all realize that we must work hand in hand to convince Canadian consumers to pay more for Canadian agricultural products. We should try to sell this idea to our fellow citizens. There is too much anti-agriculture propaganda.

It is always alleged that agricultural products are very expensive. I believe that the main task we should under-