Farm Credit Act

If we are to help our farmers we must revive interest-free loans for younger farmers and those who want to expand their operations. We must put more and more money into the hands of these people. I remind economists that small farmers and young farmers are the best consumers we have in this country. They will buy machinery, they will buy food and clothing for their children, they will purchase commodities for their farms, they will increase the demand for consumer goods—and in turn we will have more jobs for people in our cities and towns. In this way the whole country will be better off.

For these reasons I urge the government to give agriculture higher priority and to provide interest-free loans to younger farmers and small farmers who want to expand their operations. We must in committee have another look at clause 1 of the bill. I hope government members can explain it to our satisfaction. If they cannot, then I and other members of my party will fight it very hard.

• (2050)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I did not want to let the first reading of this bill go by without saying a few words. I represent the riding of Shefford, a semi-rural, semi-urban area, in which the city of Granby has the largest agricultural co-operative in Canada. Last year, it had in excess of one million dollars' worth of business. It processed the majority of Quebec dairy products, which means that the riding of Shefford could well serve as an example to many others, at least in the field of agriculture.

In dealing with this bill, Mr. Speaker, I should like to use as a source of inspiration the words of one of the greatest presidents the United States ever had, and who said this: It is impossible to spare yourself troubles if you spend more than you earn.

Those who drew up this Bill C-5 certainly did not have the foresight of Abraham Lincoln who was a great statesman, who thought of future generations, contrary to those who drew up this bill thinking only of the coming election.

Mr. Speaker, this bill will allow the consolidation of farms. The government knows full well that its agricultural policy will not enable the average farmer to live off the farm and compete with the others. The owner of the average farm will never survive, because this bill provides a maximum loan of $100,000; this will enable the big farmers to buy out the average farm that is no longer profitable because of the agricultural policy of the federal government.

Mr. Speaker, one would think that the slogan of the present government, just as it was with the preceding governments, is this: Produce today, and go into debt for 25, 30 or 40 years. Buy today yesterday's production with tomorrow's money. Farmers are told: Buy today tractors which were produced yesterday, with borrowed money which you might be able to pay back in 35 or 40 years. Buy today equipment which can be produced today or has been produced yesterday, with money which you will earn tomorrow.

Nobody seems to worry about debts, Mr. Speaker. It would seem that the government does not care about debts, so much so that the Minister of Finance (Mr. Turner) was the first, this afternoon, to show Canadians, to show farmers, that one should not worry over debts. I asked him the following question: Has the government forgotten about the national debt? What is the government going to do about the national debt? The Minister of Finance rose, shrugged his shoulders, and looked surprised that somebody should mention the national debt.

Mr. Speaker, the debts with which we burden farmers, the national debt with which we burden Canadians will have to be paid, or they will be absorbed by those who hold mortgages on our economy.

Mr. Speaker, under a Créditiste government, under a Créditiste economy, we would say: Let us produce today, let us finance our production in order to use up in 1972 what we produced in 1972.

Social Credit, Mr. Speaker, suggests four economic solutions.

First, a scientifically social financial system to distribute producers' goods among consumers, according to the needs of the latter. We say that the Canadian economy is made up of two sectors; the public sector and the private sector. We say that the Bank of Canada should be used to finance the public sector, without interest, so that all the savings invested in public works, all the savings that are frozen, paralyzed, or invested in the building of bridges, highways, sidewalks, water and sewer systems, schools, universities, may develop the private sector. If the Bank of Canada ever finances the public sector with interest-free loans that the Canadian people will have to pay back according to the depreciation of public utilities, which will be then unfrozen, cleared from the public sector, the savings will then be made available to the production process or to private enterprise.

Therefore, we will finance public capital through the Bank of Canada and personal savings will finance the private sector.

I will now deal with the other solution. I will explain it tonight. It is entirely suitable to bill C-5; all new production must be financed through new credits.

Mr. Speaker, the Social Credit proposes that means of production be financed through savings, through interest-bearing loans from banks or from individuals who have faith in enterprise or from the caisses populaires. In short, producers will resort to private capital in order to finance means of production such as lands, plants, machinery or any other capital expenditures used in production or used by the private sector as is largely practised today.

Mr. Speaker, before elaborating on this explanation that any new production must be financed by new interest-free credits, I would refer to a basic document written by Major Douglas entitled *Social Credit Textbook* and which, at page 70, offers the following solution to the producer's problems, and I quote:

[*English*]

—another reason for the disparity between purchasing power and prices is the recall and cancellation, before the goods are sold, of the credits that brought them into existence. ... the credits required to finance production shall be supplied, not from savings, but by new credits relating to new production, and shall be recalled only in the ratio of general depreciation to general appreciation—