

the farm operator is of advanced age and chooses to remain on the farm. In that case, he may retain some buildings and a small plot of land, and let somebody else work the farm.

If I understand the bill correctly, it also provides that the farmer may operate another enterprise on the farm in addition to what is regarded as a legitimate farm enterprise. I think I am right in saying that, and all these matters are part and parcel of the bill. The minister or the department, as the case may be, were quite right in producing the document I hold in my hand. I fully expect that it will be discussed in the House and in committee. If I am wrong, I hope the minister will tell me. May I go on record as saying that I believe it will be discussed. The matters mentioned in this document are well within the scope of this bill. There is a nice chart on page 10 which shows the direction one can go if one chooses either the course of farm development or the course of non-farm employment. This document suggests the amounts of money that will become available from the Farm Credit Corporation to help to make this sort of program possible. For instance, it will help to make farm counselling possible; the corporation will help to make farm management programs possible. That, I understand, will be part of the program.

It is envisaged that programs will be developed in co-operation with the provinces if possible or, if that is not possible, at the federal level entirely; these are to be farm management or farm advisory programs and their purpose is to assist the borrower obtain a better income pattern than he achieved in previous times. That sort of thing happened immediately after the second world war under the Veterans' Land Act or the veterans land credit program. I cannot remember the right name of the act. In those cases, management and advisory programs were tied in with the lending function so that assistance could be given to the borrower. At that time, the plan worked reasonably well.

Anyone aware of what happened in economics immediately after the war knows that between 1946 and 1956, roughly, a combination of circumstances arose such as the farmers of this country have rarely enjoyed. Prices for farm products rose steadily. The price of the farmer's produce was going up, while the price of those things the farmer had to buy was stable or increasing very gradually. Those conditions, combined with a good credit program, enabled farmers to make progress. Those who returned from overseas and decided to take up farming as an occupation were able to make real progress.

This afternoon I am trying to emphasize this: if this credit program is to be effective, the circumstances which existed in the postwar years must be recreated. Prices must increase enough to enable the farmer to keep up with the cost of production. Also, the government must act with regard to the cost of production and control within reasonable or practical limits, or even workable limits, the increases in the cost of the farmer's operation. Unless that is done, I suggest that the result in X number of years will be unfortunate. That is what I have tried to emphasize this afternoon, and it is most important for us to remember that. Conditions such as I have described are more important than mere quantities of money. The effect of those conditions may or may not be more impor-

#### *Farm Credit Act*

tant than the effect of the document in my hand. I agree that this document will have very, very important effects. I am sure that the minister and others who worked on it within the department also regard it as an important step forward in policy. I am sure they knew what they were doing and what they were proposing. I therefore hope that we give this measure and the policies involved the thorough examination and thought which they require.

• (1700)

[*Translation*]

**Mr. Adrien Lambert (Bellechasse):** Mr. Speaker, yesterday, the Minister of Agriculture (Mr. Olson) made a very clever presentation of Bill C-5.

This legislation purports to bring major amendments to the Farm Credit Act and I would like to thank the minister for his very appropriate explanations on the principles which have led to the drafting of this measure. If we consider but one of the provisions of this bill, I can say that although we are going backwards, we are, at the same time, "progressing". I say "progressing" because we seem to realize that the family farm should be encouraged and preserved if Canadian agriculture is to improve.

Mr. Speaker, I think it is the duty of every government to take all necessary steps to ensure that the most important industry of the country, namely agriculture, enjoys excellent health. All classes of society are interested in the well-being of agriculture and in farmers earning enough to live, not necessarily like millionaires, but at least decently in a country where this objective is attainable.

Now, Mr. Speaker, one of the clauses of Bill C-5 proposes to increase the Corporation's capital from \$56 million to \$66 million. I think that this is an unquestionable necessity. The questionable point on which I would like to draw the attention of the Minister of Agriculture is that if we recognize that farmers need credit to develop their operations and modernize their machinery, we should also recognize that they are entitled to an income such as would enable them to repay both principal and interests.

If we refer to the brief presented in April to the Prime Minister (Mr. Trudeau) and to the cabinet by the Canadian Federation of Agriculture—it should not be lies, as those people come from all parts of Canada and have met with party representatives to read this brief to them after presenting it to the cabinet—we can read, at the first paragraph—I quote:

The present meeting comes after a year during which farmers have seen their profits go down to a disastrously low level—lower, in terms of dollars, than during any comparable year, and, in real terms, 73 per cent lower than it was 10 years ago. The forecast for 1972—let us hope that it will not come true—is for an even worse situation. The pressure due to the cost-price squeeze is becoming alarming and overwhelming to a degree never experienced before.

Authorized representatives of the farm industry throughout Canada are keeping a close check on markets and on the economic situation of agriculture, and take the trouble to come to Ottawa in order to make the government aware of a situation which could become worse unless steps are taken to correct it.

Hon. members will remember—as the minister referred to it in his comments yesterday—a highly disastrous situa-