

*Farm Improvement Loans Act***FARM IMPROVEMENT LOANS ACT****AMENDMENTS EXTENDING PERIOD, RESPECTING INTEREST RATES, ETC.**

The house resumed, from Wednesday, October 9, consideration in committee of Bill No. C-111, to amend the Farm Improvement Loans Act—Mr. Olson (for Mr. Benson)—Mr. Faulkner in the chair.

On clause 1—*Bank.*

Mr. Bigg: Mr. Chairman, at five o'clock yesterday I was interrupted by private members' hour. I had been in a verbal tussle with the Minister of Agriculture as to the size of loans and where the considerable amounts of money voted under these four bills were to go. I made an error, I am afraid. I said that the average loan was from \$17,000 to around \$20,000. I have learned, from papers submitted by the Department of Agriculture, that under the farm credit legislation the average loan has been \$22,000.

That brings me to my main point, and if I make no other point in the debate I shall be happy. In my opinion, as well as in the opinion of many farmers in Canada, \$1 billion and more, under one piece of legislation, is being directed toward fewer and fewer farmers and those farmers or bodies obtaining money are obtaining it in ever-increasing amounts. Last year the average amount lent under the Farm Credit Act was \$20,380, and this year so far it has been \$22,020. I refer to this act because these acts are so closely related that it is fair to say the rule of relevance is being kept. By lending such sums we are not getting to the root of the matter, namely, what are we doing to keep the small family farmer on the land?

• (3:40 p.m.)

The second question is: what chance does a young farmer have of acquiring a farm, starting up and making a success of it? It is not always possible for him to take over the family farm and in most cases where the farms are small I understand it is the deliberate policy of the government to withhold financial help in such cases unless the venture is obviously a paying proposition. This is putting the cart before the horse. How can a farmer possibly have a paying proposition unless his farm is well financed, in which case credit is hardly needed? Yet the administration will not lend money unless the operation is a cinch. I think the people of Canada are still pioneer-minded and that a large percentage of any money voted for

[Mr. Macdonald (Rosedale).]

agriculture should be devoted to the encouragement of the new farmer, the small farmer. Unless this is done I believe serious consequences will ensue.

The farmers' union of Alberta recently sent out fourteen questions, not addressed to me personally or to the minister personally but to the government of Canada. These farmers want to know the policy of the government with respect to the position of the family farm in Canadian agriculture. They are asking this question because they know it is the small farmer who is finding it increasingly difficult to make a living. They know that such markets as we have are increasingly being divided among fewer people. It is only the relatively few farmers, the well financed farmers, the independent corporations which do not rely on agriculture for a living but are interested rather in depreciation and avoidance of income tax, that are in a good position to qualify for loans at the present time. Yet they are in direct competition with the small family farms.

I always try to avoid criticizing unless I have some positive suggestion to make. Having discussed this question with many farm unions and many individual farmers, I say we must find some way of licensing farmers. By this I do not mean that farmers should be placed under bureaucratic control. It is a matter of definition. If we are to pass legislation here to help farmers we must know who it is we are helping. I believe it is necessary to have large corporation farms; I am not saying they should be destroyed. I think there should be large, efficient farms, and well-heeled farmers on the land. I am not suggesting we should return to a peasantry, or limit downward the size of farms any more than limit them upward.

I think we should recognize three categories of farmers so that when we vote money for farm loans or credit under any of the several bills we have been considering we will know exactly what we are doing. The experience of allowing decisions as to where the money is to go to rest with the financial institutions has proved disastrous over the last 20 years. Those institutions are interested only in profit per dollar on a percentage basis. We as legislators are interested in something far wider and greater.

It will be necessary, I am sure, to divide farmers into at least three main categories and to make sure that rules apply to these categories in different ways. I see no reason why the taxpayers of Canada should subsidize