

Farm Credit Act

and, in general, an all-out promotional campaign designed to increase the usage of wheat products. As a result of this and other aggressive sales efforts, United States commercial wheat exports for the year 1966-67 increased by some 28 per cent over the preceding year. This took place during a period in which an overall decrease in world demand was experienced. In comparison, I am told that we have only two agencies actively engaged in soliciting markets for our wheat in Europe and Asia, they being in Tokyo and London, both covering large areas. The selling of wheat is a competitive and challenging field and to meet this challenge we must have a force which must be aggressive, flexible and thorough.

● (5:50 p.m.)

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member in his very interesting and informative speech but it seems to me that an effort should be made by him, and also by other hon. members taking part in this debate, to relate his remarks to the principle of the bill now before us, which is to amend the Farm Credit Act. I recognize that the remarks now being made by the hon. member are of importance, but I have some qualms whether they relate as closely as they ought to the principle of the bill now before us.

Mr. Mazankowski: Thank you, Mr. Speaker. When you examine the philosophy behind the Farm Credit Corporation you find that it was established under a Conservative government in 1959, not to make a profit for the government, not to provide handouts for the farmers, but as a stimulus to the economy. It is not necessary to go back to 1959. One has only to look at the minister's words in introducing this bill on September 30, when with that eloquence and feeling for which he is noted he spoke in the following words, as reported on page 599 of *Hansard*:

The objectives of the program are to provide the capital to facilitate the organization of Canadian agriculture into viable farm units in the hands of our competent farmers so that agriculture may make the greatest possible contribution to the Canadian economy and provide farmers with equitable returns for their investment of capital, work and skills.

In those remarks the minister showed a good grasp of the philosophy behind this measure which was brought in by the Conservative government. But one must ask at this point, how can agriculture make the greatest possible contribution to the economy if the

farmer once again is going to be penalized? The minister knows, as everyone in this house knows, that his complaint about interest rates and the Farm Credit Corporation being required to recoup its loss to the finance department is just a matter of book-keeping between the departments. If the finance department does not charge a rate of interest to the Farm Credit Corporation, then the Farm Credit Corporation does not have to increase its charge to the farmer. On that basis there is a very good argument for farm credit being provided to the farmer absolutely interest free. It was never the intention of the legislation that the government should make a profit out of the farmer, and the corporation is only subject to loss when the finance department charges the going rate of interest, as it does now.

I am not going to insist at this time that loans should be made to the farmers interest free, but I am certainly suggesting that the minister carefully examine that possibility. The farmer has been paying 5 per cent, and he may be willing to continue to pay that amount on the rather flimsy argument that land prices will go up if there is no interest whatsoever. The fact of the matter is that land prices are going up anyway, and the minister is quite well aware of that too. Therefore it is a bit of a fairy tale for the minister to tell the house and the farmers that because the finance department lends money to the corporation at the going rate of interest the corporation must now turn round and lend to the farmers at an increased rate in order to show a profit, particularly when the going rate was increased in the first place directly as a result of the action of the government.

It was not the farmer who raised the interest rate on government borrowing, it was the Minister of Finance. Now the farmer is expected to pay. The farmer is paying too many people now and has very little prospect, as a result of this government's failure to sell his products, of acquiring the income to pay his present debts. Therefore this measure should not be allowed to pass at this time. If it does, one can only conclude that this government's "just society" just is not for farmers.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I shall only say a few words.

I have just heard the previous speaker oppose the increase of the interest rate to be paid by farmers who will need to borrow