

figures that when we had interest rates which were subsidized, and that is of course what happened for many years when there was a statutory limit of 5 per cent, that the borrower, the actual farmer who was going to operate that land, really did not benefit as much as the seller because there was an inflation in the price of land when that was happening. Thus the advantage of low interest rates on loans from the Farm Credit Corporation would be quickly dissipated through rising costs of capital expansion and the borrower would be saddled with the continuing high capital cost which would have to be serviced through future farm income. In other words, any attempt to adjust or control interest rates through mechanisms which do not reflect the realities of the market for credit or for farm land, in my view would adversely affect the costs of capital investments for all farmers.

• (1530)

This has to be taken into account, because I think all members of the House agree that the terms and conditions of credit, and the mechanisms by which that credit is utilized in the farming sector, must be such as to be of advantage to the ongoing farm operator. He is the one who has assumed the obligation of servicing the debt from the income of his farm, in many cases for as long as 29 years. Certainly, it would not be in his interest if we were to take action that would result in undue inflation of land prices, for the advantage accrues not to the buyer but to the seller.

Mr. Horner: The government is giving the seller quite a bonus under this scheme.

Mr. Olson: I see the hon. member for Crowfoot (Mr. Horner) is trying to enter into a controversy with me. Last night I said that many farmers are anxiously waiting for this bill to pass quickly. I also said that I will not be party to any discussion that will delay for even one hour passage of the bill and the beneficial results this bill will bring to farmers in Canada.

Mr. Dinsdale: That's pretty weak, Bud.

Mr. Olson: The hon. member can judge how weak it is when I tell him that members of his party have gone around the country saying the bill is a good one. They also say, and they are wrong in this, that the government has merely brought the bill forward but does not intend to press ahead with it.

Mr. Horner: The minister said that last night. He is merely repeating himself.

Mr. Olson: I see two or three members on the other side who were not here last night and may not have read the excellent speech that was made. Probably, they do not know what I said.

Mr. Horner: We know, Bud. Come over here and we will pat you on the back.

Mr. Olson: I know the farmers of this country support the bill. We are obligated to make its benefits available to them as quickly as possible.

Farm Credit Act

In conclusion, and in summary, may I say that the amendments to the act as proposed in this bill will, first, improve the position of farmers across Canada through the removal from the act of certain restraints on the Farm Credit Corporation, these being statutory limitations, with respect to loan limits and age limits. This, I suggest, will permit loans to be made on a more useful basis in the light of modern farm practice and organization. Second, the amendments will provide authority for the Farm Credit Corporation to carry out other governmental activities and programs. The presence of the corporation in the farming communities across Canada, and there are highly respected government officers in those communities, would mean that it is a highly suitable organization to carry out a program such as the small farm development program, either alone or in co-operation with provincial authorities in such provinces as have entered into agreement for the joint administration of such a program.

Mr. Horner: And which provinces are those?

Mr. Olson: The bill has not been passed yet. We are referring to the time when it has been passed.

Mr. Horner: And when will that be?

Mr. Olson: Mr. Speaker, farmers in all parts of Canada know that the agricultural economy is improving rapidly.

Mr. Horner: Really?

Mr. Olson: There is ground for optimism. Farmers feel that they can expand their operations, confident that difficulties of the sort experienced in the last two or three years will not recur. Let me point, for example, to the dairy industry, to the grain industry, to the beef industry, and to the hog raising industry. Indeed, conditions in every major commodity producing part of the agricultural industry have improved substantially in the last year or year and a half. In the light of this atmosphere, in the light of this optimism and confidence in the agricultural community, we must make changes in the act to enable the Farm Credit Corporation, which has performed a useful, indeed, essential service for agriculture, to meet the more modern requirements of the 1970's and fulfil its responsibilities as well as it fulfilled them in the past.

Mr. Speaker: The hon. member for Mackenzie.

Mr. Thomson: Mr. Speaker, may I ask the minister a question?

Mr. Speaker: Order, please. I apologize to the hon. member for Mackenzie. I am not sure if the hon. member for Battleford-Kindersley rose for the purpose of asking a question of the minister and if the minister was prepared to reply to that question before resuming his seat.

Mr. Olson: Mr. Speaker, I was willing to reply.

Mr. Speaker: Is it agreed that the hon. member may ask his question?

Some hon. Members: Agreed.

Mr. Thomson: Mr. Speaker, may I direct a question to the minister? He did not go into details to explain how the