

Canadian Farm Loan Act

looked into with a view to drafting further amendments in order to give young farmers in Nova Scotia and the other maritime provinces a chance to make application for loans under the Canadian Farm Loan Act.

Another matter which was dealt with by the commission was the suggestion that a joint federal-provincial board could be established which would be a combination of the Canadian farm loan board and the Nova Scotia board. Perhaps this suggestion could be borne in mind by the minister so that the proper amendments in that connection could be made. I believe that at the moment we have a very forward looking and very sympathetic federation of agriculture in Nova Scotia.

If I am not straying too far from the subject matter, I should like to point out that arrangements have been made between the federation, private citizens and the province of Nova Scotia to set up an abattoir in the province in order to help our farmers, especially the cattle raisers. I believe this is going ahead.

It is necessary today, because of the type of farming that is conducted, for our younger farmers to have credit available. The number of vacant farms in my own area, and in the maritimes generally, is a most important matter. I do not know too much about the practical aspects of farming because my experience has been limited to helping put in the hay on my grandfather's farm or taking the horses to water. However, I do know something about the Canadian Farm Loan Act and its operations. Another thing which I might submit to the minister is that since farmers are not living near the capital cities of the provinces and it is sometimes difficult for them to obtain information about the Canadian Farm Loan Act, more publicity should be given to the regulations and application forms should be more readily available. The farmer should be informed just what is available under this important legislation.

I believe that is all I have to say on the matter, Mr. Chairman. It is a most important subject in so far as Nova Scotia is concerned, especially having regard to the encouragement of agriculture in that province.

Mr. Peters: I should like to thank the Minister of Finance for having increased by \$2 million the amount available under the Canadian Farm Loan Act. However, if the farmers can go to California on the \$4 million, I hope that there are more who will be able to go on the \$6 million.

Mr. Fleming (Eglinton): If my hon. friend will permit me to interrupt, let me clear up one thing. The amount he is talking about, in the sense of \$4 million and \$6 million, is

the authorized capital of the Canadian farm loan board. This is not its lending capacity. Its lending capacity is measured in terms of 20 times its capital. What we are talking about now is raising the limit on its borrowing or its lending capacity of \$80 million, which this measure now proposes should be increased to \$120 million.

Mr. Peters: I thank the minister for his statement. I believe that more people will be able to travel now than were able to do with the small amount that was in the act before.

However, I believe the whole matter of farm credit should be given an overhauling. In agricultural areas we have found that the price of operating a farm has increased, just as everything else has. Credit is necessary now, not only to buy farm machinery necessary to operate the farm and the stock, but to take care of the buildings on the property. Many farmers are faced with problems because of the fact they cannot borrow to the limit of the total value of the lands to help them with the expansion that is necessary. As farm organizations have suggested, the amount a farmer can borrow should be increased from 65 per cent of the appraised value of the farm to 80 per cent of the value of his property.

One of the problems that faces the farmer is the knowledge that if he were to expand his operation, if he were to buy the farm next door or a couple of farms close by, if he were to go into a more diversified type of farming where the expenses will be much greater for machinery and for milking facilities, he is faced with a problem of being unable to obtain credit under the present legislation as we have it in effect.

It seems to me that one of the problems we are finding and the reason why so many farmers are leaving is the fact that they are now facing the proposition of borrowing mortgage money from trust companies which are very much opposed to lending the money, particularly in my area where an organization like the Canada Permanent Trust Company will not lend farm mortgage money at all. Where other types of farm credit are no longer available such as bank credit, they are faced with a proposition of either having to borrow the credit at a rate at which it is impossible for them to pay back or to leave the farm and in many cases that is what they are doing. They are leaving the farm every day.

Having regard to this problem of mortgage money in general and particularly mortgage money for those who are just starting in industry and want to increase their holdings and operations, we feel that they are faced with a problem where they should have supervised credit, credit which may even look