

Farm Credit Act

exist today. All it will do is aggravate some of the problems. The man who presently can qualify for a \$27,500 loan is in a good position to help himself, and it is the position of the other farmers which we should be concerned about.

The record of the Farm Credit Corporation has been a good one, but some of the risks that might have been taken have not been taken. It may not move as quickly as some of us would like, but we hope it and the government, stage by stage, will try to make loans available to the people who require them. I may have further remarks to make later on, but that is all I have to say at present.

[Translation]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, under this bill to amend the Farm Credit Act, it will be possible to increase the operating capital of the Farm Credit Corporation out of the consolidated revenue fund. The maximum amount of loans will also be revised upwards.

As far as the first point is concerned, that is, taking money out of the consolidated revenue fund, I feel that such a step is not an innovation. It does not take a genius to think of that. The inventor of the wheel rendered a greater service to the human race than those who think of drawing on the consolidated revenue fund.

Everybody is aware of the iniquitous scheme which consists in taxing the Canadian people more and more as, for instance, in the case of the 11 per cent excise tax on manufactured goods.

We know that once it has reached its destination, in the hands of the consumer, that tax has already cost over 40 per cent to the consumers, according to calculations made by eminent accountants. To increase the operating capital of the Farm Credit Corporation through the proposed method is the same, all in all, as digging a hole to fill another. Such a step is both sterile and infantile. By resorting to the sovereign powers of the Canadian parliament, we could take back the regalian prerogatives to issue credit that were handed over to chartered or commercial banks and transfer them to the appropriate government agency, that is, the Bank of Canada, which, under the high authority of the national credit council, would supply the Farm Credit Corporation with the credit required for the smooth operation of that undertaking. This could be done at a nominal cost. Thus, the Canadian farmers could be allowed loans at a reduced

rate in order to sell their production at a profit.

The great problem in agriculture at the present time is that farmers do not make profits. They leave their farms and give up their land for the simple reason that it is not a paying proposition. Let us give them the opportunity to make profits as any other normal enterprise. Is there anyone who likes to work for nothing? Profit is the rightful purpose of all transactions and undertakings.

According to the latest statistics, the net income of Canadian farmers has decreased by 5.4 per cent, which represents a loss of \$80,700,000, while the Quebec farmers have lost more than \$3 million in net income.

Those figures speak clearly and are a good indication that agriculture is now in a state of regression. It is not by increasing the debts of farmers that we will be able to develop agriculture.

It must be considered that agriculture is the most important branch and even the basis of the Canadian economy. If that branch of the economy is in a state of regression, what will happen? Will we be able to continue the development of the national economy? At the present time, this slackening is caused by the high inflation pressure on our monetary system. Canadian finances are really in an incredibly bad shape.

With this measure and similar ones which have been presented to us for some time or will eventually be introduced, the government is increasing monetary inflation. That does not solve the basic problem; it only helps to displace it.

I read the other day in *Le Soleil* of May 29, 1964, a newspaper of my area, that farmers were complaining, through the Saguenay federation of the U.C.C.; and they had reason to complain, because the federal Department of Agriculture had eliminated a subsidy to dairy products. This question was asked:

Strangely enough, we are told that two years ago, one of the biggest cheese dealers in Canada had a lot of cheese to export. Now, the export subsidy for that year was 4 cents a pound.

At the present time, that same firm would sell all its cheese on the national market.

Is it by a mere coincidence in the federal policy that the cheese export subsidy is high when capitalist concerns have cheese to export, and that the subsidy is low when producers export their cheese themselves?

Those are rebukes which are justified. I am deeply convinced that increasing the debts of the farmers will not help us settle those problems.