

Farm Improvement Loans Act

Then the president of the federation goes on to give No. 3:

Operating, or intermediate credit needs, are not being adequately met by the farm improvement loan program, or the present banking system.

Then No. 4 is the matter of emergency or disaster credit. That was in the speech of the president of the federation given to the 28th annual meeting. In their submission to the Prime Minister and members of the cabinet on February 26, they said this:

32. Second, the loan limit of the Farm Credit Corporation should be raised to \$50,000. This would be more realistically in line with present costs of financing economic farm units.

Item No. 33 that they presented at that meeting was as follows:

33. Third, the loan limit on farm machinery under the Farm Improvement Loans Act should be raised to \$10,000—again, a more realistic level in light of present day costs for machinery and equipment.

If you look at some of the submissions and the discussions preceding those submissions so far as farm credit is concerned, it becomes apparent that by passing the amendments to the Farm Improvement Loans Act and the amendments we passed in respect of the Farm Credit Corporation several weeks ago, we have not only met but have considerably surpassed the requests that were being made by this association of farmers' organizations. I do not mean to be facetious because this is a serious subject, but it seems to me that we have now gone beyond even the fondest dreams of spokesmen for farmers' organizations, so far as limits are concerned. This amendment puts the maximum \$5,000 beyond that asked for, and also \$5,000 in aggregate, I think it is fair to say, beyond that asked for under the Farm Credit Act. I believe the maximum limits which have been placed on these various forms of farm credit available from and guaranteed by the government are now adequate; at least they are adequate for the time being. They have been raised to a point where they have taken into account both the need for farmers to become efficient in order to face the tremendous competition they have to face in the world today, and also the increased cost of the farm machinery that is sold today. So in the immediate future when we talk of farm credit I think we should turn our attention to other things with respect to the administration of farm credit. I strongly urge on the parliamentary secretary to the Minister of Finance—although this may not be completely within the sphere of his minister's department—the suggestion that there is some room for improvement

in the application of these loans apart from simply increasing the maximum limits from time to time.

I do not wish to repeat what I said about making some amendments to the farm improvement loans legislation to provide financing of other things than farm machinery, but I think this question is a valid one and should be considered. We have no hesitation in giving our wholehearted support to the amendment proposed in the resolution before us, and during the passage of this bill through committee stage I hope the parliamentary secretary will be able at least to assure the committee that he and the Department of Agriculture are giving favourable consideration to relaxing some of the regulations which have hitherto prevented farmers with a low credit rating from making use of this type of loan to increase the productivity of their farms.

[*Translation*]

Mr. Langlois: Mr. Chairman, I take this opportunity to say a few words about the resolution now under consideration. I had prepared some questions I wanted to put to the Minister of Finance; I will do that later when he comes back to the house.

In the meantime, I will just make a few general remarks, first to congratulate the government for its decision to increase farm improvement loans from \$7,500 to \$15,000.

At the present time, our agriculture certainly needs our government's attention.

First, as stated by the hon. member for Medicine Hat (Mr. Olson)—and I agree with him on several points he mentioned—it is a fact that agriculture is almost entirely centred on foodstuffs. Right now the figure is 21 per cent.

Mr. Chairman, agriculture has always been the basis of our economy. Whether we like it or not it is essential to life, and that is why I feel that in the normal course of things it must always be considered with attention in order to prevent it from drifting.

In a country like Canada, which is known as one of the most fertile countries, not only the provincial governments, but the federal government as well must seek to maintain farm production as high as possible.

Farm loans are a good thing, and this increase from \$7,500 to \$15,000 will enable family units to expand and escape a kind of socialization—I should rather use the word centralization—by companies which at a certain time would probably establish a monopoly under their exclusive control.