

Supply—Agriculture

Mr. Madill: In rising to make a few comments on the supplementary estimates of the Department of Agriculture I should like to deal specifically with the subject of farm improvement loans, farm credit loans and small business loans as they are related to agriculture. It is also my intention to make a few remarks about the marketing and grading of hogs.

First, as to the farm improvement loan legislation: This, with a fixed rate of interest provided, is no longer geared to present interest demands. It is no longer realistic. We are told that these loans are being made—or, sometimes, that the available funds have been exhausted. But today, at the rate of 5 per cent such loans as are made are available only to a few well established businessmen or farmers. Local bank managers are placed in an invidious position. They may recommend a small loan at the rate of 7 or 8 per cent, but the farmers themselves, particularly if they are young farmers, or less well established, often feel they are the object of discrimination. Loans at 5 per cent are limited to a few people who have been preferred borrowers over the years.

Bank managers maintain that farmers have proven themselves to be competent, realistic borrowers and that a lot of the red tape and paperwork demanded by the terms of the Farm Improvement Loans Act is unnecessary. Loans need no longer be underwritten by the government because farmers have proven that they will repay them. It is obvious that since banks are now paying 5 per cent on moneys on deposit it is unrealistic for them to lend money out to farmers at 5 per cent. I would recommend that the act be amended immediately in such a way as to accommodate all the farmers, fruit growers, fur farmers and others who wish to improve their buildings, operations livestock, drainage and so on. They should be able to use the provisions of the Farm Improvement Loans Act instead of resorting to finance houses which are set up to handle short term loans.

Incidentally, having mentioned farm improvements, I should like to point out that battery operated hoists which are now widely used in agriculture for the storage and removal of potatoes, apples and so on are subjected both to import tax and to sales tax—and in almost every case they are imported. In addition to many farm applications, they are used to load logs and lumber, still in the field of agriculture. In the interests of the industry

[Mr. Moore.]

in Canada I strongly urge the government to consider removing the tax in this case.

The second item I should like to mention concerns the Farm Credit Corporation. In my opinion much greater latitude could be exercised when extending credit, depending of course on the type of farm operation under consideration. It is true that dairy farmers are in a special position, but farmers who grow cash crops can certainly engage in other types of work and still operate successful farms. Should they do so, however, they are not eligible for loans under the present legislation. At a time when farmers are facing a growing cost-price squeeze the amount of credit available to them through the Farm Credit Corporation is to be reduced following federal government cut-backs.

The third subject I would mention briefly has to do with loans from the Industrial Development Bank to small businessmen, particularly implement dealers, feed mill operators, greenhouse operators, hatchery owners and others who conduct businesses related directly to farming. On many occasions I have tried to help some of these people get loans from the Industrial Development Bank. The applications have been refused politely but positively. What has happened to the government's stated intention of helping small business?

• (8:10 p.m.)

So far I have mentioned a few of the areas in which legislation could be updated and improvements introduced to help those engaged in agriculture to make a livelihood. At the beginning of my remarks I mentioned hog marketing and grading. I have a number of statistics I should like to put on record. The average weighted price of hogs in 1966 was \$35.64. In 1967 the average was \$30.40. That is quite a drop, especially when one realizes that the cost of the producer's operation has increased considerably. From January to June 1967 there were 18,568,200 pounds of fresh, frozen or cured pork imported at a cost of \$7,063,000. Also in the period from January to June 1967 there were 25,603,163 pounds of pork and pork substitutes imported at a cost of \$10,302,000. This does not make sense when our farmers who are raising hogs receive less money for what they produce.

In this connection it is interesting to note a reply written by the Minister of Agriculture to a letter in December, 1967, in which he stated:

It is true that some products, such as hogs, are suffering from a cycle of overproduction and lower