

Farm Machinery Syndicates Credit Act

more selective in the way that we make these moneys available. We should try to assess the market that is available for the areas in which we provide funds for farm production. It is time that we looked at the matter from this aspect. Up to now our basis of selection has largely been based on the individual farmer or on groups of individuals who had sufficient assets to give security. That was the main criterion, but I think we will have to use other criteria in the immediate future.

Another point which the task force made was that we should co-ordinate the various instruments of credit available under the government loaning agencies. Another suggestion was that we should disseminate our method of providing farm loans, that we should distribute it out among the provinces, instead of operating it through a central loaning agency on the federal level. This suggestion certainly does not recommend itself to me. I do not know how well it would work. This is one facet of its recommendations which the task force should be asked to explain in clearer terms. When the report comes in I hope this will be spelled out in a manner which can be accepted by reasonable and rational men.

Finally, I would hope that the government would give careful consideration to providing lower interest rates in areas where it thinks that expansion in farming can safely take place. In other words, the government should be more selective. I think this would be a useful approach, but whether consideration will be given to it or not remains to be seen. It does seem a tragedy that at the very moment when most of our farmers are in a very weak position in respect of their operations, they are faced with higher interest rates. If the forecasts of the task force are anywhere near correct, this is a time when many farmers will have to make a shift in production and borrow funds in order to make that shift. Therefore, it would not seem desirable that the interest rates should increase at this time. These circumstances would certainly deter farmers from making a shift rather than encourage them because higher interest rates would simply add to the costs of their operation. Of course, in these areas we must be careful. With all due respect to the task force, I think it is really a brave group of men who can forecast wheat production and markets over the next ten years. I have seen pretty able people attempt to do this in the past; they were wrong as often as they were right.

[Mr. Gleave.]

● (9:50 p.m.)

I think we must take notice of the circumstances. I believe our credit program should be aimed at the circumstances as we see them now, and as we may be able to see them for four or five years hence, but certainly not for a ten year period. I think our crash program for this period should be tailored in that direction. For that reason, I say one thing we need is lower interest rates in certain areas to enable people to make adjustments which may need to be made. I think this is one of the important things we should do. I disagree altogether with the task force, if I read the report correctly. I would say that our main credit instrument should be in the federal field and not the provincial.

Mr. Rod Thomson (Battleford-Kindersley): I see there are about five minutes remaining, Mr. Speaker. I have just a few comments I wish to make. First, I am not sure whether the terminology in this amendment in respect of the Indians is clear or whether I am just becoming better able to understand it. However, it does seem to me to be better than the one contained in the Farm Improvement Loans Act.

I am still rather concerned about the practical applications of the amendments as it affects Indians on reserves. I believe that anyone who seeks to borrow money under the Farm Machinery Syndicates Credit Act should have a sophisticated knowledge of farming operations. From the information I have there would not seem to be too many Indians who would have this type of knowledge. I know some of them would like to enlarge their farming operations or move out in a different direction. They need help and encouragement.

I should like to commend the minister for including this in the act, but I suggest that help is needed in other forms so that the Indians will be in a position to use this particular line of credit. Until they are in a more viable position they will not in many cases be able to take advantage of this particular act. The farm credit people in the minister's department should give more leadership and guidance in this area. I am not too impressed that the Indian Affairs Branch is giving proper leadership in this regard. Quite frankly, I think what has been accomplished in this regard is pretty awful. I would hope the Minister of Agriculture (Mr. Olson) and his officials would be more active in this field in an effort to see that these people learn how to make proper use of credit. I would suggest to