

Farm Credit Act

perform. With our loans we do one thing that is not done under most provincial loans. We sit down with the farmer and help him to work out a program or plan that will mean he will get more income as a result of having borrowed. In the case of younger men from 21 to 45 we not only work out a plan with them, but we sit down with them month after month during the period when they are paying off the loan, help them to run their farming operations and make sure they do everything that will give them the best chance to pay off their loans quickly while at the same time raising their income.

It is because of this very fine principle of supervised loans and supervised farm management and operations that so many thousands of farmers are feeling more confident about embarking on a mortgage loan that gives them some chance of raising their income from their farming operations and at the same time paying off the debt. I think I mentioned in the house two years ago, or maybe just a year ago, that in the case of over half the loan applications made to us by farmers the result of our sitting down and discussing the matter with these farmers was that when the final decision was made, over half of them agreed to take more money than they had applied for.

I cannot divulge individual cases to anybody. This is wrong and must not be done, but let me take a hypothetical case that is very close to an actual one without divulging where the loan was made or who got it. A farmer with a small farm, who has laboriously worked out a plan whereby if he can borrow \$9,000 he can increase his income and pay back the loan over a period of 12 years, comes to see us and says, "Will this be an acceptable plan?" The farm credit supervisor looks at it and says, "Yes, I think it will be acceptable. Let us go over the plan step by step. Let us go out and look at your farm." After a lot of discussion extending over a period of about six weeks they work out a plan whereby he borrows \$14,000, I believe, which he can pay back in four years. The farmer says, "That is much better than borrowing \$9,000 and paying it back over 12 years". Here is a case where we put this farmer into a higher income bracket. He is still a small farmer, because a loan of \$9,000 or \$14,000 on most modern farms is not a big amount, and at the same time he is able to pay off the loan much faster.

I think this is the essential point. I have made the purposes of the act very clear, and have explained how we are working to supplement the short term credit provided

by banks and farm credit unions and the intermediate credit under the Farm Improvement Loans Act guaranteed by the government. We are providing this new type of mortgage credit, but we are now faced with the fact that after two and a half years of operation we are not quite satisfied with what the act is doing so we are bringing in certain amendments. I am not allowed under the rules to outline these amendments in detail at this time. Hon. members will see what they are when they have the bill in their hands after first reading. But I can say that the bill is aimed specifically at making the act broader and more flexible, and helping eastern farmers even more. One editor noted with amusement that I included British Columbia farmers among the eastern farmers.

I have a whole series of points that have been raised by other members in the debate on the resolution which I think should be answered in all seriousness and in the interests of disseminating knowledge throughout the country, but in looking at the clock I think I should limit myself to approximately the same length of speech as other members have made. I will find an opportunity, probably in the debate on second reading or in the committee stage where we deal with matters point by point, to answer most of the questions that have been raised.

I should like to recommend to the committee in all seriousness that we have been debating this resolution now for several days, and there will be an opportunity to make speeches again on second reading and in the committee stage. But in the interests of getting this resolution passed and the bill finally passed to help the many farmers who are awaiting these amendments, I would ask the committee to pass the resolution now. The bill will then be introduced, and hon. members will know more precisely what we are talking about.

Mr. Fisher: It is always a source of enjoyment to bask in the overriding confidence of the Minister of Agriculture. The only point I want to make to him is that in the past, this particular bill, and probably in the future, does not work worth a damn in northwestern Ontario. I believe the minister is aware of this, but I should like to put on the record the reason it does not work worth a hoot. There is no system of pressing it; there is no way, in an isolated region, whereby the people who really need this help can get word or use of it.

One of the ironies of the legislation we have for the farmer is that it seems to apply only in areas where the farmers have been, at some time in the past, the largest coherent economic group, and where they have built