

and in this area we hope to receive the co-operation of the minister.

Clause 3 of the bill deals with the increase in the number of board members. Many hon. members are suspicious of this provision, and I suspect there is some depth to that criticism. If the number of members is to be increased, perhaps the government will seek out individuals who can deal with the dilemma of capital requirements in this country and make suggestions to the minister. As many hon. members have pointed out, the board members do not really operate the day to day affairs of the corporation but are there to advise it. We will wait to see how this provision is used.

Another provision is for an increase in the capital requirement. Anyone who has dealt with the Farm Credit Corporation knows that it generally runs out of funds half way into the fiscal year and that many important loans that should be dealt with are put aside simply because there is not enough money.

Clause 10 of the bill sets the maximum repayment period at 30 years. As many of us who have gone to a bank to take out a line of credit have found, there is not much difference in the payment on a 20-year loan, a 25-year loan or a 30-year loan. It often amounts to only a few hundred dollars. Sometimes, with a borderline operation, there may be the need for an extra five years in the repayment period.

Clause 11 allows the Farm Credit Corporation an advance of up to 30 per cent of the principal amount of the loan immediately. Many farmers find that, even when a loan is approved, it takes weeks to get the cash and, as a result, many pending deals are jeopardized. I think the suggestion is a good one.

Clause 13 provides that money lent to Indian bands be set by regulation. I agree with that.

Obviously, Mr. Speaker, we are going to support this bill, but I would like to consider some suggestions put forward by people outside the House and outside the farm organizations. Perhaps we should consider what other countries are doing.

In the brief time that I had to prepare this speech, I examined the U.S. credit system and found some very interesting things that I think should be considered in committee.

The United States has a number of systems, one of which is the Federal Land Bank Association. This is farm-owned and its purpose is to provide farmers with long-term credit for land at interest rates of 10.5 per cent to 13 per cent. The interest rate floats with outstanding bonds in the bond market, and the repayment period is 40 years. A similar type of organization would be very attractive in Canada.

In the United States there is an organization called the Production Credit Association. Today it has floating rates of 15 per cent to 17 per cent, with a maximum repayment period of ten years. As well, 5 per cent to 10 per cent of the loan can be withheld to purchase what is called class B stock, with no dividends. If the stock is held for two years with no further borrowing, it becomes class A stock and pays dividends. This can be used for any farm-related expense. I think it is an excellent idea.

Farm Loans

There is also something called the Farmer's Home Administration which was established in 1946 for farm and rural housing development. It provides short-term loans of up to \$100,000 for seven years, long-term loans of up to \$200,000 for 40 years and provides for an emergency loan of \$500,000 for from seven to 40 years, in the event of natural disasters. The interest rate on that loan is set at five per cent. I am sure that many hon. members can point to natural disasters in their constituencies where the insurance held by farmers was not adequate to put them back into operation. So this last idea seems like an excellent one and I think we should consider it.

The Americans also have the Commodity Credit Corporation. This is not a major source of funds but it is available for the use of farmers.

I have shown that there are good ideas in other countries, Mr. Speaker, and I think if we examined the situation in still more countries such as Australia, we would find excellent systems that we could study to see if they would help with the very serious economic problems that face the farm industry.

I do not intend to put all the statistics regarding high input costs on the record again, Mr. Speaker, nor do I intend to speak about the low prices that farmers receive for livestock, cereal and oilseed. All these statistics have been placed on the record and are common knowledge.

Farmers need leadership; indeed, they are desperate for leadership that will adopt ideas to assist them in the coming decade. Many agricultural experts feel that there is a bright future for farmers and, indeed, we are optimistic. Each year there are some 80 million more people in the world so there is a need to provide food for them. We are one of the very few countries with the capacity to do that. We must get on with the job, however.

We already have the Western Development Fund. Although the amount of the fund was set at \$4 billion in the beginning, it has decreased in the last few months. However, in the next five years the federal government will receive as much as \$50 billion from western oil. Surely some of that money could be reinvested to provide transportation systems, proper credit and some of the ingredients that are essential in order to buoy up the very important agricultural sector of this country which brings in many billions of dollars in foreign currency.

If we do not deal with the dilemma of transportation, then within a few years we will find that quotas are imposed on the rail lines to western ports. With the Crow rate in place, it is easy to see which commodity would be at the end of the line! It would be grain. We have to deal with that problem and it is essential that we begin now. Markets which pay the proper price for our agricultural products must be found. This matter was debated when the House dealt with Canagrex. Canada has failed miserably in this area over the last number of years. In my opinion there must be some co-ordination among the various sellers of grain in the world. Canada, United States, Australia and Argentina are competing with one another. We compete so well that we sell our products below the cost of production to farmers. I assume we are not doing farmers any favours. Why can we not get together? Some of us have taken