

*Farm Improvement Loans Act*

integration in respect of farm credit? This is very important because we are including a number of agencies which will deal with farm credit. We now have a federal agency, namely the Farm Credit Corporation.

Up to this time chartered banks have been making loans under the provisions of the Farm Improvement Loans Act. Most of these bank branches interested in making loans under this act are involved in the affairs of the immediate rural communities. They have personnel with knowledge of farm conditions in the areas they are serving. We are now extending the scope of this legislation. No doubt many of the institutions which will qualify under the new provisions will be able to handle these loans in a competent fashion. However, there are questions that should be answered regarding the approach that is to be used. I urge the minister to consider these questions seriously.

**Mr. Korchinski:** Mr. Chairman, I should like to make a few remarks about this legislation. Before I ask the questions I have in mind I should like to take issue with a statement by the hon. member for Saskatoon-Biggar.

I think it will be beneficial to combine farm credit legislation. It seems evident that in years to come we will be creating more corporations. It is in this sense that I disagree with the hon. member for Saskatoon-Biggar. Many more institutions will qualify under the terms of this bill and these institutions will be able to lend money to those farmers who have been turned down by the Farm Credit Corporation. If a farmer applies to the Farm Credit Corporation for a loan with which to buy land and the corporation does not think he is a good risk, under the farm improvement loans legislation he can go to a bank and is entitled to obtain a loan. Those of us who have had any experience with banks know what happens when you apply to a bank for such a loan. The bank takes a statement of your net worth, and so on, and very few farmers are denied a loan under the farm improvement loans legislation. For this reason the legislation has been a blessing over the years.

• (4:20 p.m.)

These are the people who will benefit from the program. This is what will happen, contrary to the wishes of the government that the large corporations shall one day take over all our farms. This is part of the thinking of

[Mr. Burton.]

the Farm Credit Corporation. I believe they will realize that there is a loophole in the farm improvement loans legislation which will benefit those who farm on a part time basis. This is a good thing because it is the only salvation the family farmer has after he has applied to the Farm Credit Corporation for a loan.

I take issue with the hon. member for Saskatoon-Biggar in this regard. His argument was that the farmer will in a relatively short period be making large repayments on his loan and consequently his standard of living will be reduced. I realize that this sort of thing does happen, but the fact is that there is one place to which the farmer can turn for a loan after the Farm Credit Corporation has turned him down. He can go to a bank or other lending institution and obtain a loan. In this way he will at least be able to buy an additional quarter of land, and having bought the land can go back to the Farm Credit Corporation and say, "I am farming an almost economic unit and am now qualified to obtain a loan from you." This is what will happen, and I say thank goodness for it. It is good that there is one place to which the small farmer can go to obtain a loan.

I do not know whether the minister realizes it, but this program is in almost direct conflict with government policy in respect of farming, which is to eliminate the small farmer. These matters have been raised by other hon. members. I ask the minister whether we are to have different interest rates in respect of different purchases. Will there be one interest rate for the purchase of land, another for the purchase of machinery, another for the purchase of cattle and yet another for the purchase of buildings? We do not know what will happen with regard to interest rates. We do not know a great many things about this legislation. I think we are buying a cat in a bag. I am somewhat annoyed at and disturbed by the minister because apparently at this stage even he does not know the answers to these questions.

Apparently this legislation is not very important because the government house leader has told us that if it is not passed today we will move on and deal with other matters. Therefore there is not the urgency attached to it that the minister has tried to imply. There is a great need for this legislation, but the minister has not been very influential in persuading the government house leader that this is so. I do not think we need to rush into other measures but should deal