

Farm Credit Act

Rehabilitation and Development Act, may eventually have greater impact on our rural economy, but the Farm Credit Corporation has already proven itself.

I want hon. members to pay attention to this next paragraph:

In its first 27 months it issued more than \$130 million in farm loans—about \$9 million more than its predecessor the Canadian farm loan board, had issued in 27 years. The 6,000 plus loans issued during the current fiscal year averaged more than \$11,000 per farmer. The final impact such lending will have is still difficult to measure, but it is certain to provide the stimulus for a major overhaul long overdue on many farms.

As I said before, looking at the history of the old farm loan board as it was in operation up to October 1959, and the present Farm Credit Corporation since that time, I must say they both serve Canadian agriculture well. The old farm loan board served the Canadian farmer well, but it never could quite measure up to the other legislation we have in this country, namely, the Veterans Land Act. The Veterans Land Act had some very fine features which proved to be so valuable they were incorporated in this new type of farm credit.

There were other new features incorporated in the farm credit bill, one of which was the new type of supervised farm mortgage credit. Many of the failures on small farms and other farms resulted from the fact that some of the farmers were not very efficient and did not have supervised farm credit available to them. This supervised credit was helpful to our young farmers between the ages of 21 to 45.

Another point I should like to bring to the attention of the Minister of Agriculture relates to the clause which provides group life insurance to the farmer who borrows from the Farm Credit Corporation. This group life insurance is very helpful and many farmers have taken advantage of it. There was one omission made in the new farm credit bill, and that is that the farmers who obtained loans from the old farm loan board were not given an opportunity to take out this group insurance on their loans. In my home, in western Canada, many farmers would like the privilege of taking this group insurance, and I would ask the minister to incorporate such a provision in the amendments.

Agriculture today finds itself in a much better position as a result of having the Farm Credit Act amended. I am sure that with the increase in the amount from \$300 million to \$400 million a great deal of help will be given to the farmers in both western and eastern Canada. There is a new trend today in agriculture and that is to go more heavily into the livestock industry, which has a good future. This increase from \$300 million to \$400 million in the lending capacity of the

corporation will be very useful to those farmers who would like to diversify and go into the livestock industry.

This supervised farm credit is not a new idea. As I said, many of our failures in the past must be attributed to the fact that some farmers were not able to avail themselves of this supervisory service that is provided now to the farmers between the ages of 21 and 45. A planned program could be followed with the operator which would result in repayment of the debt and tend to keep production directed toward future market requirements. If there are any debts that the farmer cannot pay, then the supervisor will advise him not to go further into debt. Of course, this farm credit should never be given to farmers that are not on an economic unit. Credit should never be extended to support an uneconomic unit. From what I gather, previous speakers have said that the amendments would be improved and, as I said at the outset I am greatly in favour of the amendment which seeks to increase the capital from \$300 million to \$400 million.

(Translation):

Mr. Rochon: Mr. Chairman, like all the members who spoke before me, I should like to congratulate you on your appointment as deputy chairman of committees. Judging from your performance so far, it is obvious that you will always be impartial in the debates to come.

The resolution which is before the committee at present and whose object is to amend the Farm Loan Act, is of the utmost importance. As the Minister of Agriculture (Mr. Hamilton) stated a while ago, it is proposed to increase the corporation's capitalization from \$12 to \$16 million so that its lending power may be raised from \$300 to \$400 million. That is a worth while step and I should like to congratulate the Minister of Agriculture for it if only I could be assured that this bill will also benefit the eastern farmer.

It is true that the hon. member for Nicolet-Yamaska (Mr. Vincent) reminded us this afternoon that the minister promised some time ago, in Joliette, that his solicitude would extend to the farmers of both eastern and western Canada.

We heard him tell us that he hoped the legislation under study would bring us better times. But if the past is any indication of the future, I fear that I might throw cold water on his sanguine hopes if I reminded him, as Aeneas did, when he stood before the Trojan horse:

The Greeks I fear in spite of their presents.