

*Farm Improvement Loans Act*

factorily to date and I urge that consideration be given to the question of credit for the building of farm homes, as distinct from the purchase of equipment and machinery and the development of farms themselves.

Some way must be devised of providing security for the loan on the farmhouse without mortgaging the whole farm itself; but that is a problem that can be solved if there is a common approach between these various lending agencies. With these few remarks I look forward to seeing the exact terms of the bill and I may have a few questions to ask at that stage.

**Mr. Olson:** Mr. Chairman, my first words in speaking to this resolution must be to commend the parliamentary secretary to the Minister of Finance for his very comprehensive explanation of the proposed amendments to the Farm Improvement Loans Act. This act, with the amendments that have been made to it over the years, is one of the most useful and effective pieces of legislation we have dealing with agriculture. From personal experience in my own constituency and in many other parts of Canada I know that its provisions have been used extensively, and in its application there has been a disposition on the part of the bankers, who for the most part administer the act, to be very co-operative in recognizing the needs of farmers when they make application for credit. Certainly the act has met with a high level of acceptance by farmers from one end of the country to the other.

It is also worth mentioning that many other people besides farmers have benefited from this act. I am thinking particularly of farm equipment dealers who have had a large and continuing source of credit available to continue in the promotion of their business. It may be argued that some of the instalment payment arrangements set up by farm machinery companies and various types of acceptance companies have also performed good service, but in my opinion no source of funds for the purchase of new equipment has been as easily attainable and as useful as this act.

I was interested to hear the parliamentary secretary state that from the inception of this act in 1945 until now losses incurred were at the very low rate of one tenth of 1 per cent. This brings to mind a speech made by the Minister of Agriculture to a gathering of farmers at the C.N.E. in Toronto, when he said we have been a little too reluctant in extending farm credit because the record shows the losses are very small, in fact that

they are substantially below most other kinds of credit extension.

I do not wish at this time to debate in general terms the value of farm credit for the purpose of modernizing and keeping farm units efficient, but one very interesting matter was recently mentioned by the Minister of Agriculture, a matter that I think is worth mentioning, again, namely recognizing the farmers of Canada for what they are, the producers of food and groceries, rather than as some entity unto themselves that continually comes to the government for assistance.

If my memory serves me correctly only about 21 to 25 cents out of each dollar Canadians earn are used for the purchase of food. I believe this is the lowest figure of any country in the world, and the purchasing of food has to be the paramount consideration when we think of our standard of living and the well-being of the whole nation. If the figure is as low as this then most of the credit has to be given to the efficiency of our farmers in producing the food requirements of our nation, and when one thinks in those terms he must realize it is essential that our farm units be kept efficient and in a healthy state.

The performance record of Canadian farmers has been such that all our other citizens ought to be grateful and satisfied that, whatever legislation has been passed by parliament for the benefit of farmers, the money it provided has been well invested.

We are being asked to approve amendments to the act to increase the maximum amount of loans from \$7,500 to \$15,000, available to individual farmers for the purchase of equipment and other things they are allowed to purchase under the provisions of this act. In this connection we have to recognize that there has been a certain amount of automation in the agricultural industry, as was mentioned a few moments ago by the hon. member for Kent (Ont.). This automation has increased the efficiency of our farmers in terms of the cost of production. It has been made necessary because there has been a reluctance on the part of the labouring classes to take up farm labour as a vocation.

There are a number of reasons for this. One reason has to do with the provisions of the Unemployment Insurance Act and other things; but nevertheless this automation has certainly taken place during the past few years. I might say, Mr. Chairman, that automation has increased the cost of investment in an efficient farm. Therefore increasing the amount now from \$7,500 to \$15,000 is recognizing two things; the first of which is that