not have the money, although they had a farm picked out. They went to their local farm loan association and their adviser suggested they should look around to see if there was not something which suited them better. They found another farm which needed a lot of work. The loan association improved the land by terracing. They improved the house, the buildings, the drainage system, equipped it, stocked it and said to the young couple "Now, you are ready to go farming under our supervision". One of the amazing things is that the farmers like this type of supervision.

The young couple were supposed to pay a certain amount off their loan and then eventually apply for a different type of loan in order to allow the money they had borrowed originally to be turned over to someone else in circumstances similar to theirs. We have not done this in Canada and I think this is one of our problems. I feel that when loan applications are appraised, the human need is not always considered. I have already explained this to some degree in the example of buying the farm which needed so much improvement and turning it into a productive economic unit. Our Farm Credit Corporation does not seem to have recognized the value, in human terms, of restoring property as have some farm loan associations in other countries. We need that type of close working relationship to make our loan association what many farmers think it ought to be.

• (1620)

We hear much talk about rates of interest, about our lending too much money to the agricultural producer and that if we lend him as much as this bill contemplates we shall get into trouble. May I read a telegram sent to me by the Canadian Federation of Agriculture. It reads:

> The Canadian Federation of Agriculture believe it important that the upper limit on farm loans in Bill C-5 (an act to amend the Farm Credit Act) be raised to DLRS250,000 for partnerships, family-held corporation and co-operatives. Beyond this the Federation approves the changes in the bill. This policy request was made by the CFA Board of Directors at a recent meeting.
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> It is also standing policy of the CFA that in the interests of assisting orderly developments of agriculture and transfer of farm properties in this high capital cost and rapidly changing industry, that the interest rate on loans under the Farm Credit Corporation should be set at 5 percent.

Perhaps the interest rate should be set at 5 per cent. I know that farmers in one province of Canada do not even pay 5 per cent on farm loans. A former premier of Quebec introduced a provincial farm loan program under which farmers who borrowed $15,000 or less did not pay all the interest, the government paying part of it. A farmer who borrowed did not pay all the interest, but only 2½ per cent. The provincial government of Quebec paid interest over and above the first 2½ per cent. Actually, in many cases, producers paid only 2½ per cent on loans taken out in that province. Those producers are at an advantage, as compared with producers in other provinces who must compete with them. Considering that a farmer on the Quebec side of the Ottawa river can get a loan more cheaply that a farmer on the Ontario side of the Ottawa river, how can anyone say that farmers in Canada are treated equally? When one considers interest rates farmers have to pay, I submit that our national frontiers are not the only frontiers farmers must consider. I have always maintained that if I were going in for broiler production now, and I have said this in the standing committee, I would go over to the Quebec side because I could produce them more cheaply than in Ontario. I could get my feed more cheaply and my money more cheaply. When I first talked about this, nobody paid much attention to me except the feed companies. The smart operators moved to Quebec and, by producing cheap broilers, for a time created chaos in the broiler industry.

I well remember before becoming a member of this great institution, Mr. Speaker, buying the farm next door to me. I made the down payment and applied for a farm credit loan. Three days before the election I received a letter pointing out that, under some particular section of the act and I do not remember which one, I was not eligible for a loan. I was told that I could not get a loan because I was running for parliament and, according to the law, it was illegal for a Queen's representative to obtain a loan from the Queen. I was not what you would call a Royalist at that time, but after receiving that letter my feelings, I tell you, were even more lukewarm than they had been. Actually, my wife did not show me the letter until after the election. So, I won the election, but lost the loan.

The interest that I am paying on the mortgage, which is still running, is at 7 per cent. Also, I am paying 9 per cent on other money, because I am a member of the House of Commons. I do not know whether one could say I am being discriminated against. At any rate, I cannot go along with the suggestion of the Farm Credit Corporation that the interest rate should be set at 5 per cent. I do say, however, that the rates for agricultural producers should be no higher than those that our city cousins are called on to pay because, in some instances, farmers are paying much higher rates of interest.

In the booklet, Federal Farm Credit and Related Statistics, 1971, some interesting comparisons are set out. These statistics reveal that Farm Credit Corporation loans for 1969, on average, bore interest at 8.2 per cent; Industrial Development Bank loans bore interest at 11 per cent; supply companies are shown as charging 16 per cent; the rate for private individuals was 8 per cent, on average. Bank loans, other than farm improvement loans, are shown as bearing 9.5 per cent, and farm improvement loans made by banks are shown as bearing 8.3 per cent. On the other hand, finance companies lending money for cars and trucks charged 18 per cent, and the treasury branches in Alberta charged 9 per cent. So, one can see that although the rates of interest charged by the Farm Credit Corporation are probably higher than one would like, they are probably not all that bad.

I agree with both the speakers who preceded me who suggested that the wrong people are deciding how much credit should be extended to a farmer under a farm credit corporation loan. I think this is true. Too many of the wrong people are making these decisions, and I condemn them. I have said in this House and in the committee that too many economists are involved in these matters. I have not known one to be right and I have not known one to make a humane decision. Economists make the cruelest decisions one can think of and I say that the Farm Credit Corporation bill lacks the humane approach. There seem