

Farm Credit Act

that area will realize, have well over \$100,000 invested and they are not getting any more by way of return today than an average factory worker.

These people are feeding the nation, and I would say it is true of all farmers in Canada that they are the most efficient producers of agricultural produce to be found anywhere in the world. Moreover they are feeding this nation with the cheapest produced food anywhere else in the world. This is one of the reasons I am not ashamed to ask that this interest rate be reconsidered. When we think of all the other things we are doing for industry, for area development boards and everything else, I do not think it is asking too much if we make sure that our agricultural industry is given a low interest rate in this regard.

Last night one of the members from Prince Edward Island expounded certain theories on the Farm Credit Corporation. One of the matters I feel strongly about is the refusal of the corporation to make a loan when they designate a farm operation as an uneconomic unit. My own view on this is that we should have enough people able to go into the field and say, when they find a farm is not an economic operation and the farmer wants \$20,000, that the corporation will lend him \$30,000 to put him in a sound economic position, in a position where his children, along with the other children in the neighbourhood, will be able to enjoy the rights and privileges enjoyed by every other citizen in the country.

I also feel that the establishment of an appeal board should be considered. It is claimed that this is covered by the regulations, but I feel it should be written in in black and white. Civil servants have an appeal board to whom they can go if they are not satisfied on something. Unions and other bodies make provision for appeals as well. People can appeal to the local member of parliament, but if the appellant is a Conservative and he appeals to me, and still nothing is done, he will say: "I knew the dirty beggar would not do anything for me because he knew I was a Conservative." I am not exaggerating this because it is a real problem. These people should be able to go to an independent board. I gather from many farm organizations that a good many farmers and business people would be prepared to sit on an appeal board for which they would charge the government nothing. They would know the local problems better than anyone 200 or 2,000 miles away from the problem.

I am not going to congratulate anyone on the administration of the Farm Credit Corporation, because when 55 per cent of the money borrowed by our farmers, as I said before, is being borrowed from Shylocks, and the like, we are not meeting the needs of agriculture in Canada. However, I realize the commitments made by the Minister of Agriculture and the committee he has set up will, we can rest assured, deal with these problems.

Mr. Doucett: Mr. Chairman, I should like to ask the minister an important question. I have had many requests from persons who wished to purchase a farm and had part-time gainful employment, to leave the farm to their wives and families to operate until they had sufficient means to carry on the pursuit of farming. I know that in the past the loan board did not look upon this type of applicant very favourably. I fully appreciate that in order for him to be a desirable applicant he must, first of all, know something about farming; and it is understood that within so many years he will take over and operate the farm himself. I am wondering how the board would look upon an application of this kind under the new act.

Mr. Hays: Mr. Chairman, in reply to the hon. member for Lanark, according to page 17 of the regulations:

No loan shall be made on the security of farm land that is not part of a farm unit of sufficient size to produce, under the operation of the applicant, revenue which, together with any supplementary income, is sufficient—

And so on. As long as he establishes to the satisfaction of the Farm Credit Corporation that his major income will be from the farm, then he is entitled to a loan. If he was, say, a pilot for Air Canada he would not be entitled to a loan. We have not touched this part of the regulations. Even if he had an economic unit and was a fairly substantial chap there are provisions in the regulations which do not permit him to borrow money under the Farm Credit Act for additional land or chattels. However, I would be glad to consider this matter and hand it over to the committee. But we have not changed the regulations; they are left exactly as before.

Mr. Doucett: So that a man making an application under those circumstances would not have any chance, or at least very little opportunity, of getting a loan; but a farmer can borrow money for his son or his cousin?

Mr. Hays: Yes; provided the major part of his income is from this enterprise then he