

Farm Credit Act

one's herds to just anyone, to people without experience. It will become increasingly difficult to find experienced people because the young, having witnessed the difficulties of their elders, those who spent years on the farm, are reluctant to go into farming.

We have been in a position to realize—the committee members at the very least—how difficult and important accountancy is in that field. In comparing data and production costs with producers' income at the time, we were not surprised to see that many producers were suffering quite heavy losses and that there was a possibility that, sinking deeper into debt and being unable to make both ends meet, some producers would simply have to give up production.

● (1730)

This would be painful for consumers because if it is true that some economists have always maintained that prices were determined by supply and demand, if at a given time supply falls far short of demand, prices are going to increase but this will not insure more production and people will have to pay more.

We are living in a society quite well organized in many ways. Marketing is the sole defect in our economic organization. A few years ago we passed a legislation over which much ink has been spilt in Canada, namely Bill C-176. I for one entertained great hopes over it as I thought it would enable producers to organize themselves for marketing.

Of course, we had an experience that did not give the expected results and that seems to discourage the other producers in other sectors of the agriculture industry. But I would also like to say that we must not throw in the towel. The fight must go on. If there are changes to be made to that legislation, as I am convinced there are, amendments must be brought in. The necessary representations must be made to the government in due course so it will take its responsibilities, especially in the area of imports and exports.

We witnessed that the main problem that egg producers encountered was massive imports. That led to the destruction of eggs as reported by the press and also to the inquiry we have which hopefully will give results if the recommendations that were made are implemented.

In conclusion, Madam Speaker, I would like to say that I support wholeheartedly the motion and I urge the Minister of Agriculture (M. Whelan) to ask his advisors, those who are responsible for drafting legislation and amendments, to consider very seriously the motion which covers only some ten lines but which is very substantive in truly grappling with the real problem because it deals with interest rates.

It asks that interest rates for young farmers be lowered as much as possible because, in agriculture as in other areas, high interest rates are a cancer for this country in any industry. How can people be expected to be able to commit themselves for years to come with interest rates of 8, 10, 12 and 14 percent, particularly when they must borrow from the private sector to get organized and purchase farm machinery when the ceiling set by legislation does not allow them to go any further?

[Mr. Lambert (Bellechasse).]

Madam Speaker, I would like to ask most emphatically the Minister of Agriculture and his colleagues to change the legislation at the earliest so our young who still feel strongly about and want to go into farming can do so with a chance of success.

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, it is with great pleasure that I rise, this afternoon, on this motion.

I might remind the hon. member for Bellechasse (Mr. Lambert) that in his remarks he mentioned several points. We know how the Minister of Agriculture (Mr. Whelan) cares about this industry in general. I think that the remarks just made by the hon. member for Bellechasse are in line with what the Minister of Agriculture did in Canada and this shows us how the government of Canada cares about all agricultural problems in our country.

This afternoon, we have before us a motion asking the government to:

... consider the advisability of amending the Farm Credit Act to provide incentives to young farmers to enter or to continue in the farm industry and, to this end, should consider providing such incentives as partial non-repayment of loans where young farmers meet performance standards, a maximum 5% interest rate, deferred interest payment during an initial period, and open-end loans that will allow additional borrowing without refinancing charges.

Madam Speaker, I wish to give my two colleagues who preceded me some information to show them how the Minister of Agriculture is concerned about problems in agriculture and also all his contributions to the farm credit system. In the light of such information these people might realize that there were tremendous improvements in the farm credit area.

For some time, agricultural and other groups of society have been expressing great concern about the barriers that young people wishing to operate a farm must overcome. The minister often expressed a great desire to facilitate credit access to young farmers and often requested us to make suggestions about the best way to achieve it.

He has received a great number of suggestions from farmers, farm organizations, and members from the Farm Credit Corporation, all of whom have a first hand knowledge of the situation. The increase in the farmers' average age, as shown by the data of the agriculture census, would be one of the reasons of that concern. According to these data, the Canadian farmers' estimated average age has gone from 45.9 to 47.2 during the 20-year period from 1951 to 1971. It should be noted, however, at the time of the agriculture census the farmers' age took into account the age of one farmer only per farm.

As you know, an ever increasing number of farms are now being operated by the father and one or several of his sons. Nevertheless, the survey takes into account the age of only one of them, generally the father's. Furthermore, the data cover all farms, whether commercial or non-commercial. Consequently, many retired farmers who live in a country home, as well as several part-time farmers are included. That is why great care must be taken when using the data of the agriculture census not to draw specific conclusions concerning the age of farmers.