

that exorbitant rents were charged by absentee landlords. In some ways the difficulties in this country are similar. Often, passing farmland from one generation to another is difficult. Industry has evolved a system under which industrial shares are bought and sold on the market. I think there is room for similar action in connection with land ownership. Land banks are being established; one hears of land assembly programs; the government makes loans available for farmers, and the size of farms is increasing. The government is actually advocating the elimination of certain farms.

Although this may not be the proper debate in which to raise this subject, I cannot help but feel that we have not sufficiently studied the side effects of enlarging the size of farms. In our towns and cities social difficulties are increasing. Crime and pollution are showing upward trends. There are transportation difficulties in urban areas. All these social evils are being created in the name of economic efficiency. These are the consequences that flow from encouraging our people to leave the countryside and move to the cities for the sake of some of these so-called other advantages. We have not looked carefully enough at this aspect of our problems.

I have conducted some studies with regard to land ownership, because I wanted to see what was being done in other countries. These studies, unfortunately, are not yet complete. If they had been completed I would have brought forward some recommendations in my speech. Perhaps I can do this another time. In the meantime, may I suggest that we examine this bill carefully in committee. Let us call witnesses and see what farmers themselves as well as other interested people think may actually happen to land prices if credit is expanded to \$100,000 per farm. How many do they think will take advantage of this scheme and what will it do to land prices. As I said, I suggest that the Standing Committee on Agriculture call witnesses and hear the farmers' point of view on what may happen in rural communities if this program is implemented.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in speaking on this bill and on the amendments to it, may I say that, to me, it seems this is largely a housekeeping bill, providing for credit to be expanded to \$100,000 for individual farmers and for a certain broadening of the act to allow the Farm Credit Corporation to step in and perhaps manage farms under certain circumstances. I do not think the principle under which farm credit is to function is materially different from the principle under which it functioned in the past. Here we see merely a continuation of expanded policies that have largely the same thrust as previous policies.

I am sure that it would be of value if I were at this time to assess the impact of farm credit on agricultural production and assess, particularly, the effect on grain production in my riding. Since farm credit, either from the provincial or federal viewpoints, seems to be a vehicle by which land changes hands, I think we need to consider the situation in this light and to ascertain what the impact of farm credit on the agricultural community in general has been and on the farms of western Canada in particular. A recent news report suggested that agricultural credit had allowed a greater consolidation and a better adjustment

for farmers. It is difficult to gauge what should be considered that better position in which the farmer should be.

In going around my riding and discussing the impact of farm credit on the economy, nearly all people agree generally, that farm credit has raised the price of land and inflated land values. Such credit has created problems connected with overcapitalization, particularly for young farmers who, in view of current, reduced grain prices, have been finding a great deal of difficulty in meeting their payments. Certainly, a survey of the value of grain marketings in western Canada would indicate that the higher prices paid for land are not really related to the productive value of land. For instance, in 1952-53, grain receipts totalled \$1,132 million. In 1960-61, they amounted to \$708 million. There was a gradual rise in prices, to the peak of \$1,353 million in 1966-67, which was followed by the disastrous decline to \$860 million in 1968-69. There has been little change since then. We are told that record numbers of bushels have been sold and are being shipped from our ports.

An examination of the money involved will show that few additional dollars are available to the farmer, for reasons that are quite obvious. The record is being set in barley. If the estimate of 250 million bushels is reached, the value per bushel will be small. In addition, the price of wheat on the world market has been substantially reduced in recent years. Even if we reach the estimated figure of 400 million bushels, not a great deal of additional money will be involved. The situation of the farmer is being made worse by the steadily rising cost of production. This has put him into an economic squeeze and has prevented him from attaining what he considers to be his right.

May I say, Mr. Speaker, that the tax policies of the three levels of government are increasing the farmer's costs of production. Our basic tax structure is having that effect. The effect of the low price of grain on farm credit is very great indeed. The western grain farmer, finding his price set in the world markets at a time when those prices are dropping, is in a particularly difficult position. That position can be made worse by the sort of sales failure encountered in 1968-69 or the sort of price failure that has occurred in recent years.

The problem of farm mortgages has been with the western Canadian farmer almost since the beginning of the grains industry in this country. Those who remember the so-called "dirty thirties", when mortgage companies foreclosed on many farmers, also remember that it was necessary for the government to pass the debt adjustment act to safeguard farmers and save a portion of our farming industry. Since then, conditions have improved. However, at present, in view of low cash incomes, farmers are again in difficulties, particularly those with high capitalization problems who may have encountered, for various reasons, an unfortunate set of circumstances.

I think we can now examine what the effect of all these factors has been on the farm grains industry. First, we are considering an industry which is using newer farming methods. The advent of the tractor enabled the farmer to dispense with his four or six horses and use the equivalent of 30, 60, or even 120 horses available with his tractor. This being so, it is quite obvious that the individual