

*Farm Credit Act*

I listened attentively to the interesting remarks the hon. member for Témiscamingue made a moment ago. Even granting loans at 2 or 3 per cent interest would not have solved the problem.

First of all, I should like him to tell us from what source we should have obtained these funds. The problem is much more serious than that. I think that even if funds with interest rates in line with those he quoted a moment ago had been available, and if the producers had sold their goods at a loss, for instance, milk at \$3 per hundred weight as it has happened before or—as someone said earlier—broilers at 10c. a pound, the producers cannot make a profit, no matter the availability of capital on the borrowing market, because attractive interest rates will not solve the problem. Farmers could have been put in a position where they could never pull through and it might have resulted in their further downgrading. Instead, the government developed an agricultural policy which, at a national level, takes consumer power into account.

Endeavours are being made to organize production so that farmers are able to obtain reasonable prices for the time they have been spending to grow their products. What has the present government put forward in order to ensure normal profits for Canadian farmers, so that as experts, they are treated as fairly as possible? I am sure there is still much to be done, but considering the steps already taken by the government, I think they have a promising future.

I will now deal with the Canadian grain policy. The hon. member pointed out a while ago that there was too much grain in western Canada, too much milk in eastern Canada, in short too much of everything. It is easy to say that there is too much of everything. But it would be better to put some order at the production level so that it will be geared to consumer and export markets.

Through a regulated grain and dairy production policy, grain as well as milk producers now receive good prices for their products. If those two products had been left as they were, if more investments had been encouraged through a 2 or 3 per cent rate of interest, real stagnation would have followed. Instead of making such a popular decision, we adopted a sound administrative line and asked producers to follow some regulations.

What about the results? Whenever one meets producers and asks them about it, one can see that they think the Liberal government is to be commended for such regulations which, as I pointed out, generated much more attractive prices and much more interesting incomes for producers.

As regards other production fields, we brought forward recently another aggressive economic policy: the establishment of national marketing boards. Those national marketing boards for farm products will be another instrument enabling farmers to get a decent price for their marketing products. The implementation of that legislation will start with farm products and eggs.

All that, Mr. Speaker, to say how proud I am of the changes made in this legislation on farm credit. The importance given to the maximum amounts young people may borrow is certainly a worthwhile improvement.

Mr. Speaker, I do not wish to keep the floor any longer, but I think that when allowing credit for production we should also give advice to the producers. It is risky to extend credit without some accompanying advice.

• (1550)

In order to show to what extent we are aware of the importance of the agricultural sector, we shall set a policy consolidating those small farms which prove unprofitable because unit costs are too high, the size of the land does not warrant farm machinery expenses, or increasing production to 200,000 pounds of milk is not viable.

For various considerations such as for instance, the father's age or the transfer of the land to the son, we are promoting a policy aimed at consolidating unprofitable small farms into much more profitable units.

Mr. Speaker, all these changes show to what extent this government is aware of the prevailing farming revolution due to the transformations farming is being subjected to by technological advance, enlarged knowledge, higher agricultural yields and higher per unit animal yield, which contribute to a higher production, regardless of consumption capacity. We are very much aware of this revolution, I believe, and we are endeavouring, with the mechanisms I have referred to, to tidy up things at the production level.

[English]

**Mr. Don Mazankowski (Vegreville):** Mr. Speaker, it is somewhat strange that we should be considering increases to the Farm Credit Act at a time when foreclosures are predominant throughout many parts of the country. There are many pending cases of foreclosure and, as a matter of fact, I believe that the cases of pending foreclosures are at an all time high. In my own province of Alberta, where there are some 25 per cent of farm credit loans in arrears, where some 17 foreclosures have been made in the past year, 1971/72, and 102 foreclosures are pending, one must ask whether this legislation will be of any assistance to those farmers who are experiencing this type of difficulty.

I should like to quote from an article which appeared in the *Edmonton Journal* of May 2 entitled "Farmers Feel Pinch of Easy Credit". The article was written in the northern part of the province, in Manning, Alberta. It reads as follows:

Easy credit has become more of a curse than a blessing to many farmers in this region.

The harsh realities of accumulative interest and a depressed agricultural economy have ruined some farmers and even the best are feeling the pinch to some degree.

Foreclosure actions appear on the increase in the North Peace, prompting strong objections from the National Farmers' Union, which is seeking a two year moratorium on foreclosures to give farmers some breathing space.

At first glance, the government's Farm Credit Corporation appears the chief culprit, since that institution has financed the majority of farm expansions in the region and therefore is involved in proportionately more foreclosure actions.

But even those farmers who've lost land through FCC foreclosures are inclined to admit they've had more than a fair hearing from the crown corporation, most particularly when compared to some of the more conventional trust and mortgage firms.