

Farm Credit Act

made under the act only to individuals who are Canadian citizens or landed immigrants. However, it would also provide that loans may be made to farm corporations only if they are controlled by shareholders who are Canadian citizens. The real question that arises as a result of this amendment to the Farm Credit Act is who is going to be allowed to borrow funds to buy farm land, and whether or not those loans will be allowed to such non-farmers, if I may use that phrase sarcastically, as the National Grain Company and other elements of the grain business.

The report of the task force in respect of the farm adjustment resources mobility plan suggests there should be consistency in allowing loans for that kind of corporate farming, not a father and son arrangement or an arrangement between two brothers who incorporate, but corporate farming on the basis of land owned by large multinational corporations which allow the land to be farmed by employees. The fundamental question is whether the family farm, as a viable economic unit, will be preserved.

• (1610)

There are other changes on which I should like to comment. There is the provision which states that the total of outstanding loans made to a farmer under the act shall not exceed \$100,000. If the Minister of Agriculture speaks again, he will perhaps explain section 17(1) in terms of its effect on any ventures in co-operative farming and whether or not the limit of \$100,000 in terms of our modern society is sufficient. I wonder whether perhaps some changes should not be made to that limit when there are three, four or five farmers involved in a co-operative venture. Possibly the minister will explain that.

We see a change regarding the valuing of land according to productivity. It seems to me that these changes do not merit too much discussion. All these amendments to the Farm Credit Corporation Act, as I have stated before, essentially act as an umbrella and as an opportunity for this government to bring in for the coming seven years the small farm consolidation plan. When we questioned the chairman of the Farm Credit Corporation in the Standing Committee on Agriculture, he did not give us the details of the plan. But the amendment to section 11 allows the Minister of Agriculture to bring in the small farm consolidation plan. I wonder how many individuals have been called in by the Department of Agriculture when they were preparing the small farm consolidation plan. Undoubtedly, the minister has received some good advice from the public relations people regarding the manner in which he should bring this plan forward. If we look at the description of the farm adjustment and resource mobility plan, we will see that there is reason to fear the effects of the small farm consolidation plan.

The Farm Credit Corporation was set up in the beginning to assist farmers in borrowing sums of money in order to maintain a viable economic unit. But once the amendment to section 11 is passed, if it is passed, the scope of the Farm Credit Corporation will be fundamentally changed. It will deal with the socio-political aspects of farming under the amended legislation and it will deal with the nature of the lives of the people affected by in the small farm consolidation plan. When that plan is in operation, I wonder how many bureaucrats the Department of Agriculture will have to hire to implement the plan and to

[Mr. Knight.]

talk to the farmer who will have to move to the cities. When one looks at the unemployment figures one realizes that there is very little that the farmer can do in the city. How many sociologists, psychologists and new members of the Department of Agriculture will have to be hired to facilitate farmers in adjusting to a new way of life? Where does all this fit into the role of the Farm Credit Corporation as it was established originally?

Under this legislation the land transfer system, the concept of amalgamating several small farms into one large one, is taken into account. The small farm adjustment program does not take into consideration the economic and social effects it might have on the agricultural economy in Canada, both in the east and in the west. No real imagination is used with regard to the collateral needed in order to go into farming. There is no projection of the idea that young people who grew up on farms, for example in the province of Saskatchewan, who have had to go into the cities and take jobs there because, as a result of the policies of the federal government, farming brought them no income, would now like to return to farming. The province of Saskatchewan has made a number of moves in this direction, controversial though they may be. The first move was to bring in the system of land transfers to assist these young farmers in farming.

The whole concept of the small farms consolidation plan had its source in the task force report. Let there be no question about that. Last fall, the grain income stabilization policy came from the same source. The amendment to section 11 of the Farm Credit Corporation Act carries out the recommendations of the task force. The farm adjustment and resource mobility plan contains some fundamental aspects of importance to many people whom we in the House of Commons represent, including the constituents of the Minister of Agriculture in Medicine Hat. It concentrates on increasing the mobility of the land resource, enabling some farmers to increase the size of their farming operations and enabling others to get their assets out of farm real estate so that they can take advantage of non-farm income, employment or retirement opportunities. It involves a package of four programs. These are: a listing service to provide the relevant information to prospective buyers and seller; incentive grants to encourage prospective vendors to sell; special credit facilities to encourage prospective purchasers to buy; and, finally, authority to enter the market directly to purchase and resell farms as the needs arise.

I wonder if the Minister of Agriculture took into consideration the real significance of such a proposal, and the fact that it will not be put on the statute books of Canada but can only be implemented by the passing of the amendment to section 11. I think that is important. It may be good for the Department of Agriculture, in terms of a good public relations job to introduce the program in this way, but it is detrimental to the people involved if they are not allowed to have an open, formal discussion of the suggestions of the Department of Agriculture.

What is the direction of this policy? I think that is a fundamental question. When one sits in the Standing Committee on Agriculture and discusses the problems which farmers face in Canada, one finds that the officials of the Department of Agriculture, perhaps unconsciously