

We were told this afternoon, if I understood correctly, that about 80 per cent of the mortgages held by the Farm Credit Corporation are in arrears. But I have read the annual report and I have read other statements which lead me to believe that the situation is exactly the opposite, namely, that 80 per cent or so are in fact in good standing. The annual report of the Farm Credit Corporation, 1971-72, page 10, under the heading "Repayments by Borrowers," states:

At the end of the fiscal year, 84.6 per cent of all mortgage accounts were in good standing compared to 83.9 per cent a year earlier.

While the farmers during this period have been going through very, very difficult circumstances, I think it is a tribute to them and to the kind of credit provided by the Farm Credit Corporation that more than 80 per cent are in fact in good standing and have no arrears. Of those whose accounts were not in good standing and who were in arrears at that time, I would think the vast majority will recover their position and get their loans back in good standing and be able to carry on a successful operation.

• (1510)

On page 6 of the annual report it indicates the corporation has about 69,000 borrowers. How many foreclosures have there been in the year under review, and how many properties have reverted to the Farm Credit Corporation? The report indicates that 37 have reverted. I think this is an excellent record. Out of a total of 69,000 mortgages only 37 properties reverted to the Farm Credit Corporation. The fact is that this has been, and continues to be, a very successful operation.

Senator Phillips gave a long argument—

Hon. Mr. Phillips: It was only 45 minutes. That is not long.

Hon. Mr. Argue: He made a comprehensive argument against the section of the act which, under certain circumstances, prevents loans being made to farmers who are over 45 years of age. As I understand the act—and I think I am accurate in my understanding—this refers to Part III which concerns supervised loans.

Hon. Mr. Phillips: If you had been listening to me instead of talking to your seatmate you would have understood what I said.

Hon. Mr. Argue: I was doing the best I could. I was out of the chamber at one point, and you may have covered this while I was out. In any event, the complaint was that under Part III farmers over 45 years of age could not receive loans. These are supervised loans where it is considered the farmer's equity is less than the average equity for loans. This is a special category for special circumstances. Out of 69,000 loans, 3,905 were under Part III. A small proportion of the total number of loans fell under Part III which has an age limitation.

I think there is a measure of good judgment in saying that if farmers wish to get a loan when their assets are not considered adequate, there should be some supervision. I agree that the provision regarding the age limitation might be removed. They could consider the farmer on the merits of his particular case and remove the age limitation. In any event, there are less than 4,000 farmers who

have obtained loans under this specialized part of the act out of a total of 69,000 who have obtained loans under the act.

It has been said there should not be an amendment to the Farm Credit Act to expand the powers of the Farm Credit Corporation, allowing it to undertake other duties. Of course, the other duties likely refer to the small farms development program. There is a feeling in certain quarters that the development of small farms legislation of this kind should be undertaken only after there is agreement with the provinces and that this concept should be administered by the provinces. I am pleased that the government has put this amendment into the legislation. I feel that as a federal nation, as a federal Parliament which has joint responsibility with the provinces in the field of agriculture, there should be a federal presence. I hope the federal government goes forward with the Farm Credit Corporation and administers a small farms program, and that all provincial governments will support it. We have had national acts administered on the prairies which have been highly successful, such as the PFRA and the PFAA. I see no objection to the federal government putting up the money and, having obtained prior agreement, operating it as a federal program in all parts of this country.

I think Jimmy Gardiner was right when the federal government administered the PFAA. I think the Conservative Party was wrong with regard to the administration by the provinces of crop insurance. What happens is that the provincial government sets up a so-called provincial crop insurance board.

Hon. Mr. Phillips: Do you recall how you voted on that legislation?

Hon. Mr. Argue: I voted for it. I would not vote against anything which might have some good effect so, of course, I was for the legislation. I think that a federal crop insurance act could have been administered by a federal body in all of the provinces. However, instead of this, we have provincial crop insurance bodies. In Saskatchewan there is a crop insurance board. Most people in Saskatchewan think it is solely an instrument of the provincial government. Most citizens do not realize that while the administrative costs are shared equally by the provincial and federal governments, the federal government puts up the real money and pays 25 per cent of the premium costs over the years. The provincial government receives credit for the act while basically the federal government supplies the money. I think that when the federal government supplies the bulk of the money under a scheme which it is hoped will be available all across the nation, there are valid arguments for doing it on a national basis and not on a provincial basis.

In Saskatchewan there has been a change in administration and the new government has announced it is going to be very aggressive in selling crop insurance policies in the province. They have established new districts and have brought in new personnel, and it is a nice political pork barrel. They bring in their organizers and put them on boards, and give them jobs promoting crop insurance in Saskatchewan. The bulk of the money comes from Ottawa, but it is a provincial instrument, and it is used as a political instrument by the provincial government.