

Farm Credit Act

lots, with all that that entails. Such a change-over could very cost \$100,000 to \$125,000, as it does in some instances.

It would be unfortunate indeed if an endeavour of this size could not qualify under the act. As I read the act, the very most that can be borrowed by an individual farmer under optimum circumstances is \$55,000; unless the circumstances are of the very best the maximum is \$40,000. It is true that if the farmer has a son over 21 years of age this amount may be doubled. However, there are many farmers whose sons are not 21 years of age, who have no son or son-in-law, or whose sons are engaged upon some other endeavour. Are we to lose this type of farm enterprise that has been so successful over the years, which has been built up over generations, because under this bill they will no longer be eligible for this type of loan, or will some attempt be made to make it possible for these farmers to borrow such sums of money at a reasonable rate of interest?

All of these questions, Mr. Chairman, we should like the minister to deal with. From his knowledge and advice he can give us the very information we are seeking. There is no doubt from the way the clauses have been drafted that this bill has received very serious consideration and has been subjected to very intimate and searching examination. However, we feel that before we can let the bill pass tonight we should be given a lot more information than that provided in the terms of the bill, and in the introductory remarks of the minister. As the debate develops we may offer some amendments for the consideration of the government, or we may find that some clauses, even as amended, are unacceptable to us at this time.

Mr. Burton: Mr. Chairman, I have to agree with the hon. member who has just taken his seat, that there are some points of concern in this bill which require further explanation and consideration. Before commencing I might say that I found rather interesting this afternoon the minister's appeal to the house to try to speed this legislation through. It would appear that the time allotted to him by the government has pretty well run out, and at the same time he has not been able to pilot this bill through the house.

There have been some suggestions on his part and on the part of other hon. members that this, Mr. Chairman, is due to the somewhat lengthy debate that has been conducted by members of the opposition who wanted to take up a number of points. This is true; we

[Mr. Danforth.]

have been engaged in fairly lengthy debate on some of the questions involved in the farm credit legislation. I suggest that the implications of the changes in the legislation we are discussing mean millions of dollars for farmers all across Canada, and they are changes of the sort that we cannot let go lightly.

Therefore, Mr. Chairman, I suggest to the minister that had he gone along with some of the changes we proposed and been somewhat more responsive to our suggestions, perhaps this legislation could have been put through in a shorter time. I hope that he will be more responsive to some of the changes that we may propose in dealing with the amendments to the Farm Credit Act. I say that because I am sure he will agree that there are some differences in the situation we are considering under this bill, as compared to the bill we completed this afternoon, the amendments to the Farm Improvement Loans Act.

I also have to agree with the speaker who has just taken his seat, that there are some valid concerns about the amount of capital that is required at the present time to carry on an economic farm operation. Capital requirements for farming operations have escalated at a very rapid rate for more than one reason, and I am sure that the minister is aware of this. At the same time I would like to offer a word of caution. It seems to me that the primary concern of the government in terms of public policy is to bring as many agricultural units as possible up to a minimum standard of economic efficiency and satisfactory operation; that this should be the primary objective in allocating capital to farmers.

Mr. Chairman, there is one aspect of clause 1 which bothers me, and this is the change in definition of what is a farmer. The expression "farmer" refers, of course, to those people who are eligible to receive loans from the Farm Credit Corporation. I was particularly concerned with the change in the definition of the term "family farming corporation", which is defined by regulation, to the term "farming corporation". It seems to me, Mr. Chairman, that the implications of this change require examination.

I note that in the regulations made pursuant to the Farm Credit Act a family farming corporation is defined as:

—a corporation the principal object of which is the carrying on of an enterprise devoted to the production of agricultural products, and at least 95 per cent of the shares of which are owned by persons that are related to one another either through blood relationship, marriage or adoption, with not less than 51 per cent of the shares owned by the actual operator or operators of the farm.