

Farm Credit Act

Mr. Hays: Would the hon. member rephrase the second part of his question?

Mr. Pascoe: For example, when a credit union makes a loan there is a life insurance clause so that in the case of death the loan is paid off. Has any consideration been given to providing such a clause in the case of farm credit loans?

Mr. Hays: Insurance in part III loans is compulsory, and it is optional under part II. I am not just sure I understand exactly what the hon. member is getting at.

Mr. Mandziuk: I think I could assist the minister. What my hon. friend has in mind is insurance on credit union loans, and to keep the record straight it is the credit unions themselves that insure the borrower. I do not think there is any obligation to do that with the Farm Credit Corporation.

Mr. Pascoe: There is no obligation but I wonder has it been considered?

Mr. Rynard: Is it not true that they are insuring them at the present time?

Mr. Hays: About 60 per cent of them are insured.

Mr. Rynard: What are the qualifications for insuring them?

Mr. Hays: Part III is compulsory and part II is voluntary.

Mr. Rynard: In other words, the size of the loan determines the compulsion.

Mr. Hays: It is the part of the act concerned, not necessarily the size of the loan.

Mr. Rynard: Could we have the qualifications? This is the point we are trying to clear up.

Mr. Hays: Part III is compulsory and part II is voluntary, after medical examination if required.

Mr. Rynard: What does part III refer to?

Mr. Hays: These are the loans that are supervised.

Mr. Rynard: These supervised loans which may be insured. How is that insurance placed? Is it placed after medical examination? How long does it last? What happens if a man who gets a loan dies?

Mr. Hays: It lasts for the life of the loan and it is group insurance taken out by the corporation.

Mr. Rynard: Supposing a man dies just before his loan comes through. What happens

[Mr. Pascoe.]

then? Suppose his application for a supervised loan has been passed.

Mr. Hays: I understand the insurance does not come into force until the loan has been made.

Mr. Rynard: But on the basis that he was promised a loan, a loan which is coming through, he could have purchased a lot of material and equipment. What would become of the widow? Let us suppose the day before the cheque arrived the man dropped dead. He had gone ahead and purchased material and equipment he wanted.

Mr. Hays: It is all hypothetical, but we would go ahead and make a loan to the widow if she wanted it.

Mr. Rynard: I do not want to dispute that. I know the minister is telling me what he feels is right, but I should like him to check that answer.

Mr. Hays: I will be pleased to do that.

Mr. Pugh: The hon. gentleman says a loan would be made to the widow. But would she be in a position to take on such a loan?

Mr. Hays: If she wished, because I think it would have been a co-operative venture.

Mr. Pugh: The widow might not be able to farm or to carry on. What would be the point of making it to her?

Mr. Peters: In rising to speak on clause 1 of the bill I might, perhaps, draw attention to the presence in the gallery of Mr. Ken Kelly, who is at the present time the sole representative of the fourth estate responsible for disseminating throughout Canada information garnered from this debate. I know this will be of interest, since members of the gallery continually draw attention to the attendance here of members of parliament. I know he is going to be hard pressed to carry this information across the country—

An hon. Member: He can do it.

Mr. Peters: Certainly, he can do it. But agriculture is not normally his field and maybe, therefore, sympathy will be shown to some of us who are, similarly, outside our usual fields.

I should like to ask, first of all, whether the minister has given any consideration to extending the definition of farming, which has already been extended so as to include beekeeping, so as to cover the growing of trees for pulp, Christmas tree production and the raising of seedlings. A farmer often needs