

Farm Credit Act

small farms development policy would work under this bill. Could he be more specific? Could he, perhaps, send me some written material showing how this policy will work under the bill? I want that information before speaking on this legislation.

Mr. Olson: Mr. Speaker, Bill C-5 relates to the small farms development program only in that it asks for statutory authority for the organization referred to previously to administer the small farms development program. We already have authority from this House for expenditures to be made. I have already sent the hon. member a complete explanation of the features of that program. Until the provinces agree to the division of administrative responsibility, I cannot, of course announce that division. There may be slight variations as between one province and another. We are rapidly approaching the point at which we simply will not be able to wait much longer for the provinces to reach these agreements. The farmers of this country want these programs to be established, and hope that this will happen quickly. All the information has been provided to the hon. member that is available in specific terms.

Mr. Gleave: Will the minister not ascertain whether the provinces agree to this.

Mr. Stanley Korchinski (Mackenzie): Mr. Speaker, I listened to the Minister of Agriculture (Mr. Olson) last night and again today, in the vain hope of hearing him say something about amendments which would be relevant to conditions today. I hoped to see evidence of a little foresight which would take us forward into the 1970's with a new approach. I did not want to see evidence of the approach that served in the 1960's and that is rapidly not fulfilling the requirements of today. Listening to the minister, I was under the impression, and I could not help it, that he was like a man blowing up a balloon. Having exhausted himself, he puffed but the air kept coming back from the balloon. That was my impression of the minister's comments. To me it seemed that the air was coming out of the balloon, and that the balloon was exerting more pressure than the minister.

I do not subscribe to the minister's position. I do not think all farmers are breathlessly waiting for this legislation to pass. Most of the proposed amendments will ease administrative problems. They are necessary if administration is to be made easier for those charged with that responsibility. To be fair, I suppose sometimes farmers have been denied loans because lenders have interpreted the law too narrowly. All the same, I do not think the minister has a grasp of what is needed today, as was evident from the answer he gave to the question raised by the hon. member for Battleford-Kindersley (Mr. Thomson).

• (1540)

The mystery that surrounds the small farms program is still with us, even though the minister has spoken. I suppose because his conscience is bothering him, he threw in the suggestion that this measure may be election bait. I do not see how he can bait anyone in an election on the basis of the amendments he is making to the Farm Credit Act at this time. There is nothing original or revolutionary in

[Mr. Thomson.]

his ideas. They are simply ideas that came forward from the office. He was informed that in order to correct a series of problems and get around the fine print in the bill, these changes were necessary.

I wish to deal with some of the changes that are being introduced. For example, the suggestion has been made that a farmer can now borrow up to \$100,000. Previously, the act stated that a combination of three farmers could borrow up to \$100,000. According to the annual report, the average loan has been in the order of \$28,000. If that is so, why would anyone suddenly require an additional \$72,000? What the minister has done has been to make it appear as though it is a lot easier for farmers to get more money. However, many farmers do not want that kind of money. In the past, they have found that the interest they must pay has been a great burden. They will not be quick to pick up this \$100,000 because they will be burdened for perhaps 30 years.

If individual farmers can borrow the \$100,000, this will hasten the day when the large farms will be owned by one individual. It will certainly hasten the day when the small farmer will move off the land. In the past, the individual farmer could borrow up to \$40,000. He can now borrow two and a half times that much. All the government hopes to achieve by this provision is to hasten the day when the small farmer will move off the land.

In another area, we are told that the reason for the amendment is that there are some administrative problems. It was not known in the offices how much equity a son should have or when a father and son could borrow more than \$40,000. It is interesting to read the reply of Mr. Owen to a question that was raised in the Standing Committee on Agriculture. This is recorded in the seventh issue of the agriculture committee reports. He stated:

You will appreciate that one of the problems in these levels I have given you is the question of deciding when there are two farmers and when there are not. How much equity or interest in the farm should the farmer's son have in order to be, in fact, an owner-operator, or to be participating in the business?

This is one of the reasons the changes were necessary. There again it was a question of helping the administration. I stated at one time that in some cases loans had been denied because of the difficulty, in ascertaining the equity of a farmer, but I do not believe \$100,000 is the magic figure to correct that situation. The same end might have been accomplished by establishing a level of \$50,000 or \$60,000.

Another amendment was introduced concerning the approval requirement for a farm improvement loan. That is not a difficult problem to overcome. By answering a letter by return mail or making a phone call to the office, authorization could be granted to allow the farmer to obtain a loan. This could be done very easily. I cannot see any dealer telling a farmer that if he does not get approval today, he will not sell him a machine tomorrow. I am sure any dealer would be glad to wait for a month until authorization is received. It does not create a real problem. I suppose a lot of unnecessary work will now be eliminated, but this, in itself, is not earthshaking. This, again, is a question of administration.

I now come to the additional amount of money that is being made available. Last night the minister stated that