

*Farm Credit Act*

concerned, in broadening the scope of this legislation, that the change in the definition of what is a farmer would make money available to corporations or co-operative farm associations that are already established units, units that to all intents and purposes are quite productive but want to enlarge. I am concerned that money will be taken out of the public treasury, in effect, and given primarily to those already engaged in farming on a sound financial basis. The lending of money to these sound economic units will mean depriving somebody else of a loan to assist him in his operations.

• (9:40 p.m.)

**Mr. Olson:** But the same regulation applies. The key phrase is "if, in the judgment of the corporation...". It is the same phrase as has been used in the past. Where an individual or a corporation has the resources to complete an economic farm unit the corporation has a right to decline a loan on that basis.

**Mr. Horner:** This brings us to the crux of the problem. The regulations may be the same but they are now to be interpreted in line with a new act. The corporation can well interpret the intent of the government and of parliament in passing it, and the intent is to help corporations and co-operatives which are already established. So the interpretation of the regulation will definitely change. It is not enough for the minister to say that the regulation which was in effect in the past will continue to be in effect in the future, because it applies now to a different act. As we would say, using a colloquialism, it is a horse of another colour.

In the amendment which was withdrawn, an attempt was made to limit the use of this act in relation to corporate entities. It is a difficult thing to do. The minister knows that in recent years the Farm Credit Corporation, using its judgment, has made loans to what both he and I would consider to be economic units. I should like further assurance that it is still the intention of the government to lend money to farmers who are not yet operating economic units, so that they may be in a better position to compete within the industry.

**Mr. Olson:** I do not know how I can make the position more clear. I have answered that question in the affirmative three times. That is precisely what this part of the regulations means, and they are in effect.

**Mr. Horner:** Then why is the hon. gentleman changing the definition of "persons" and using the word "individuals" if it is the intention of the government to lend money in respect of non-economic units?

**Mr. Olson:** I did not altogether follow the question.

**Mr. Horner:** Why the change in the definition of "farmers" if it is the intention of the government to lend money to owners of non-economic units? What is the difference between "persons" and "individuals"?

**Mr. Olson:** It is a legal term, because corporations under law can be regarded as persons and we wanted to make sure that we were dealing here with individuals—two or three, as the case might be, applying for the grant. Therefore it is preferable to use the word "individuals" rather than "persons".

**Mr. Horner:** Would the minister give us some idea of what he considers to be an economic unit? Let him classify it in terms of gross income, or as net income, or in any other way. Let him just give us some idea of what he has in mind.

**Mr. Olson:** The hon. gentleman knows very well that I could not begin to define that, taking into consideration all the factors which are applicable in the different regions, or in the context of the various commodities produced across this country. It would take hours to make that kind of explanation. The field men of the Farm Credit Corporation are skilled in this work and have been doing a good job; they take into account the various conditions and regions in determining the size of unit which will return a decent living to the operator involved.

**Mr. Horner:** There have been suggestions from the government benches that two classes of farmers, small farmers and big farmers, are to be considered. This is clear from the quotations from the Prime Minister's speech in Winnipeg this year, to which I have drawn attention. The minister should clear up this question concerning the nature of economic units. He has told us the government is trying to help those who are farming non-economic units. Would he consider a net income of \$4,500 a year to meet his definition? What would the gross figure be? Surely he must have some idea. Surely he should be bold enough to say: I shall not rest until all farmers in Canada have an income of such and such a figure, and I will do my utmost to ensure that