

*Farm Credit Act*

and more attention should be paid to them. As a matter of fact, the Canadian Federation of Agriculture recommended that a special effort be made to avoid the establishment of new structures or of a new department overlapping the present federal and provincial departments.

The problem is real, Mr. Speaker, when it comes to these conflicts.

The governments should establish a policy and procedures to enable young people to improve their skills in farming techniques. And after they have proven their ability and honesty they should be given the possibility of diversifying their production and purchasing viable family farms.

Many young people are prepared to devote themselves to agriculture but this should be made much easier for them. Thanks to the amendments to the bill some real gaps in the act will be filled and I commend the minister for that.

But we should go a little further, and a telegram received this afternoon from the Canadian Federation of Agriculture, concerning Bill C-5, recommends that loans to co-operatives or to family farms or other operations should be granted up to \$250,000. Moreover, the Canadian Federation of Agriculture also states in its telegram from Mr. Munro, that it would like the interest rate on these loans to be set at 5 per cent. These are measures likely to really help the farmer.

When the government is willing to improve even more legislation in this area, it will have, as my colleague from Bellechasse emphasized it yesterday, to introduce such legislation as to provide an adequate income to the producer. In order to get a sufficient income, it will be necessary for all Canadian producers to really come to a mutual agreement in order to promote all endeavours in every region in Canada.

• (2010)

**Mr. Léopold Corriveau (Frontenac):** Mr. Speaker, as the House is proceeding with its study of Bill C-5 entitled: "An Act to amend the Farm Credit Act", it is with pleasure that I am taking the floor to participate in the debate with members who have already expressed their views.

As I represent an agricultural constituency, it is very important that the House takes the decision of introducing these amendments as soon as possible.

These amendments aim mainly at increasing the ability of the Farm Credit Corporation to meet the needs of some long-term credits to build up viable farm operations, and endowing it with the necessary power it requires to carry out the tasks and functions that may be assigned to it in the administration of other programs.

The powers now enjoyed by the corporation enable it to fulfill its aim and objectives—granting farm loans, implementing the act and controlling farm credit transactions. These amendments will allow the minister to use all or part of this expert staff to administer other programs such as the land transfer program, which is part of the small farm development program.

The Minister of Finance (Mr. Turner) is allowed to subscribe an amount of \$56 million to the capital of the

[Mr. Matte.]

corporation, and to lend the latter 25 times as much as its capital—i.e., \$1.4 billion.

As well as the specific purposes for which loans can be granted, the act allows a loan to be made for any purpose necessary for the efficient operation of the mortgaged farm. This provision of the act has been given a rather narrow interpretation because of the word "necessary". In the revised text, the phrase "that will facilitate" is substituted for the word "necessary", so that it will be possible to grant loans for any justifiable purpose related to the buying, operation, maintenance, or development of a farm.

The Minister of Agriculture (Mr. Olson) understood that it was urgent to introduce those amendments in order to allow certain farmers to expand their farms and to establish young farmers there—be they their sons, relatives, or other people interested in agriculture.

The present ceilings on loans to individual farmers are \$40,000 under Part II, and \$55,000 under Part III of the act. The proposed amendments sets at \$100,000 the maximum amount that can be lent to any farmer, alone or jointly with others, or in respect of a single farming enterprise. It was felt that with the years, the present maximum had become inadequate insofar as the amount of \$40,000 was minimal when one knows that nowadays a farmer owns an enterprise which requires a huge investment.

Mr. Speaker, the Minister of Agriculture and the government of Canada have understood the needs of Canadian farmers.

The size of individual farms keeps increasing as agriculture turns from a labour-intensive to a capital-intensive industry, while the purchasing power of the dollar has been diminishing in the past few years. There is no other source of farm mortgage credit for specific amounts or periods of time. The limits set on loans granted private farmers in 1964 are therefore too low to meet the needs of many of them, especially those who want to take advantage of modern techniques.

We see therefore that the government is anxious to help the farmers to settle down on farms and make them profitable. That is why that change will allow our farmers to streamline their operations and earn a decent living off the farm.

The idea of tying in the ceiling on loans with the number of farmers rather than with the size of the operation has proved unfair to private farmers who hire hands or get help from their sons who are minors, compared with those who work the farm on a co-operative or partnership basis.

Although this legislation would authorize the corporation to make loans for the development of mortgaged lands including a secondary non-farming enterprise, it is not authorized to take into account the non-farming income producing capacity of the land when it is being estimated for the purpose of determining the amount of the loan. The present amendment will take into consideration such evaluations so that the amount of the loan would be in keeping with the actual mortgageable value of the property. It will also enable a good many farmers to better utilize their resources without depending entirely on agriculture.