

Farm Credit Act

selling his farm will be able to retain, if he wishes, the use of the buildings for a period not exceeding his lifetime or the lifetime of his spouse. The purchaser of such a farm who is eligible to borrow may wish to finance the purchase through a loan from the corporation. If this bill passes, such a provision can be incorporated in the terms and conditions of the loan.

We also intend to change the minimum age of borrowers. The present act does not permit the making of loans to farmers under the age of 21 years. This provision is specifically written into the act as it is at present. There is evidence of a general inclination to lower the legal age from 21. This has been done, actually, in a number of provinces. With the minimum age removed from the act, the corporation will be guided by the applicable provincial laws which set the minimum age at which persons can contract for mortgage loans. Therefore, anyone who is of legal age in a province and who is entitled to enter into contracts under provincial law will be able to enter into contracts with the Farm Credit Corporation in that province.

Provision is to be made for joint loans. Situations arise where it is reasonable to make joint loans between individual farmers, between an individual farmer and a qualified farming corporation, for example, which could be a family farm corporation, or between qualified farming corporations although the act does not specifically authorize the making of such loans under the particular circumstances. The amendments in this bill will permit the making of such loans, in reasonable circumstances, both under part II and part III of the act. One farmer may also allow part of his land to be mortgaged as additional security for a loan for another farmer. This is usually done, of course, in the case of a father who wants to put up security for his son. This provision does not limit his eligibility for a loan on his own behalf under part II of the act. The same provision will now apply with respect to loans made under part III.

May I now mention briefly the matter of the relationship between the eligibility of part III borrowers and the Farm Improvement Loans Act. Section 33 provides that if the indebtedness of a part III borrower exceeds 75 per cent of the appraised value of his land, he must obtain approval of the corporation before being eligible for a farm improvement loan. As I said, our experience has indicated that this requirement is unnecessary and it is therefore being withdrawn.

Those are the main features of the amendments to the Farm Credit Act, Mr. Speaker. There are other features, of course, and I am sure that they will come up during our discussion. One of them is the adjustment of interest rates on loans that have been made.

Mr. Benjamin: I will bet they are up.

Mr. Olson: Yes, that matter will come up. I do not know what the hon. member is trying to do, but I am not in an argumentative mood. I know that the farmers of Canada are anxiously waiting for this bill to pass and I will certainly not be party to any discussion tonight or at any other time which will delay its passage for one moment. I know hon. members opposite have said around the country that Bill C-5 is a good bill and that we should proceed

[Mr. Olson.]

with it as rapidly as possible. I fully concur. On the other hand, some hon. members have been saying around the country that the government is not really serious about getting this bill passed right away and that it is merely election bait.

Some hon. Members: Oh, oh!

Mr. Olson: I want to demonstrate my sincerity by saying that we should pass this bill as quickly as possible so that our farmers can benefit from its improvements. I return to the matter of the adjustment of interest rates. The Farm Credit Corporation, the Department of Finance and the Department of Agriculture have been seized of this problem for a long time. As hon. members know, interest rates charged by the Farm Credit Corporation have declined from a high of 8½ per cent to 7 per cent. Some farmers have outstanding loans at higher than current rates; the interest rate paid is more than 7 per cent.

We have looked at many alternative ways of dealing with this problem. We have looked at the example set by CMHC in connection with house mortgages. That organization reviews mortgages every five years and as interest rates move up and down they are adjusted accordingly. That option may be open to us. Another option may be allowing farmers to refinance loans. We would not need to amend the act for that to be done. It could be done now. If we amend the act, we must be careful that we do not buy debts. In other words, allowances must be made for further development of a farm. This matter raises some problems.

Could I call it ten o'clock, Mr. Speaker? I will finish my remarks tomorrow.

Mr. Benjamin: We want to hear more.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

EXTERNAL AFFAIRS—INTENTION OF UNITED STATES RESPECTING RENEWAL OF LEASE OF AIR FORCE BASE, GOOSE BAY

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, on April 26, I asked the following question of the Minister of National Defence (Mr. Benson):

• (2200)

Has the United States government indicated to Canada any intention of phasing down its base operation at Goose Bay or has it indicated its intention to maintain operations as at present?

This is basically the same question I have been directing at intervals for almost two years now to the Secretary of State for External Affairs (Mr. Sharp) and the Minister of National Defence. I receive the same cryptic answer each and every time—"Negotiations are continuing." On January 21, 1971, the Secretary of State for External Affairs said in this House, as recorded at page 2616 of *Hansard*: