

*Farm Credit Act*

I also recognize the point made by the Leader of the Opposition, that this in fact is not the final word in closing the door to the undesirable entry of corporations into farming operations, with the assistance of the public. However, I would ask the minister whether he is prepared to give the committee an undertaking that it is the intention of the government to pass regulations that do fulfil the intent of this amendment, namely that any public assistance given through the Farm Credit Corporation to help people to become established in farming, to established farming operations or to extend farming operations will be restricted to those who are principally engaged in the occupation of farming.

**Mr. Olson:** Mr. Chairman, I can reply to the hon. member. He referred to the 95 per cent figure contained in the present regulations. While the regulations provide that 95 per cent of the ownership must be with members of the family, the regulations also provide that only 51 per cent shall be held by the actual operators. I can give the hon. member the undertaking that when the regulations are drawn they will provide that 51 per cent or even a larger share of the shares must be held by actual operators.

I would not like to give the hon. member the exact figure at this stage because there are such things as voting shares, preferred shares and other aspects involved in the structure of these companies. However, I can give the hon. member opposite the assurance that a majority, and indeed much more than a majority, of the shares will have to be held by the owner operators.

Then there is the problem that arises in corporate family farm structures which include young people who cannot be defined as operators, but may have an interest in the family farm corporation. We should like to leave enough room here so that this would not defeat some of the objectives in strengthening the competitive ability of the family farm unit.

**Mr. Burton:** Mr. Chairman, on the basis of the explanation given by the minister and his undertaking to me, I ask the leave of the committee to withdraw my amendment.

**The Deputy Chairman:** Has the hon. member leave to withdraw his amendment?

**Some hon. Members:** Agreed.

Amendment withdrawn.

[**Mr. Burton.**]

**Mr. Horner:** Mr. Chairman, before we proceed with clause 1, since the minister was discussing the regulations a minute ago would he say whether they still declare that the prime purpose of the Farm Credit Corporation is to aid farmers not now operating an economic unit? When the Farm Credit Corporation was first established in 1959 the regulations provided that loans could not be made to farmers who were already established on an economic farm unit. The corporation's basic purpose was to help farmers become established on economic units, putting them on a sounder footing. Would the minister say whether this provision, or one like it, is still in the regulations?

**Mr. Olson:** Yes, it is.

**Mr. Horner:** Then, Mr. Chairman, what is the minister's definition of an economic unit, if he is prepared to lend up to \$100,000 to two, three or more farmers who are farming together a joint operation? Anyone with enough credit to borrow \$100,000 today would be considered in the agricultural industry to be operating an established farm as an economic unit. Would the minister explain this regulation?

**Mr. Olson:** Yes, Mr. Chairman. I am sure the hon. gentleman will recognize at once that three individuals have to apply for the loan through a corporation, a partnership, a co-operative or some other structure. I presume it takes nearly three times as much to support three families as to support one, and this is the justification for that amount. Each farmer, or citizen who wants to become a farmer, whether a member of one of these co-operations or associations or not, is entitled to equal consideration.

The regulations which were drafted are still applicable, Mr. Chairman. Regulation 12 (2) provides:

Where, in the judgment of the Corporation, an applicant for a loan has the resources required to complete an economic farm unit the corporation may decline to make a loan to him or limit the amount of the loan to be made to him.

This regulation would apply in this case, Mr. Chairman. I repeat for emphasis that if there is more than one family—and in many cases there will be—living off the same farm unit, the size of the farm, to become an economic unit, must go up proportionately.

**Mr. Horner:** Mr. Chairman, I am not concerned with those farmers already living on a farm, the example cited by the minister. I am