

*Farm Credit Act*

committee with a great deal of reservation on my part and on the part of other members of this party. Clause 1 in part reads:

The corporation has all the powers necessary to carry out such duties or functions as may be assigned to it by the governor in council in relation to the administration of any agricultural program—

If this bill is passed, the governor in council could ask the corporation to do almost anything. There is too much of this kind of thing going on today in Canada. Parliament and the elected representatives of the people are being bypassed in this way to the point that the government is now a sort of dictatorship.

The Minister of Agriculture (Mr. Olson) has at times suggested that under this bill there will be provision for the Farm Credit Corporation to administer the small farms program. This program will be beneficial mainly to Quebec. It involves the expenditure of \$150 million over a seven-year period. The minister has not given us any more information than that. The specific program spelled out by the minister on March 8 related to four matters. When we had officials of the Farm Credit Corporation before the committee, we asked how these four matters would be administered. One of the four items was special credit facilities to encourage prospective farm purchasers. This will mean that the Farm Credit Corporation will be in the business of lending money to land speculators. The manager of the Farm Credit Corporation said he thought that particular item had been dropped. We also asked about authority to enter the market directly to purchase and resell farms as the need arises. The manager of the Farm Credit Corporation thought that aspect had been dropped as well, but was not certain and did not want to commit himself on the matter.

There are four ways in which the small farms program announced by the minister would be used, and perhaps two of them have been dropped. The minister has not given us any information in this regard and has not attempted to explain what is meant by clause 1. While I will support the bill, many answers will have to be given to the committee in a much clearer way than has been the case so far. The Minister of Agriculture is as evasive as a greased pig. That is no way to pass legislation from this place to the committee. We shall be hard pressed in the committee to pass this legislation unless we receive more specific answers than those we have been given to date.

Obviously, this piece of legislation will be used to bring about any new gimmick the government dreams up in the field of agriculture, I suppose to entice Canadians to vote for the Liberal party in the coming election. It will also be used to move many farmers off the land. I do not think that is the direction in which Canadian agriculture or our farmers should be moving. In view of conditions around the world today, I think the farmer enjoys a high quality of life. He may not enjoy the riches of other people, but he still makes his own decisions and is not confronted with pollution and the crowds of the cities. We should encourage more farmers to stay on the land and more young people to take up farming.

We will be making amendments to the bill in committee in order to adjust the interest rate. This was one of the first major pieces of legislation to come before parliament

[Mr. Horner.]

after I was first elected. I well remember we had heated arguments at that time, as a result of which we pegged the interest rate at 5 per cent in respect of Farm Credit Corporation loans. The present Minister of Agriculture has seen this changed and for two years the interest rate has been 8 per cent and as high as 8½ per cent.

The minister admits that there is no refinancing provision in the Farm Credit Act, although there should be. There is provision for refinancing under Central Mortgage and Housing Corporation as well as under many other mortgage systems. There should be refinancing every five years. The minister is reluctant to accept that idea because the interest rate may again rise and farmers would be required to pay even higher rates in five years' time. I certainly hope that is not the case.

This bill permits loans up to \$100,000. That is a huge amount of money. If we do not make some special provision for repayment of this money, many young farmers may not be able to repay the loan and will end up in debt. The number of loans in arrears is increasing. Three years ago, in the province of Alberta, 15 per cent of Farm Credit Corporation loans were in arrears. The following year the figure was 21 per cent, and last year it was 25 per cent. This bill will not relieve that situation unless we bring in special provisions with regard to repayment of the money borrowed.

• (1530)

As I said in my earlier speech on this piece of legislation, this bill is a glaring example of omission with regard to answering the problems which exist today in the agricultural industry. Without saying anything further, I urge the minister and his parliamentary secretary, who is here today, to take very careful note that in committee we will want a full explanation of clause 1 and as to why reasonable interest rates cannot be set, at least in respect of part of these loans for the small farmer who meets the requirements of the legislation.

[Translation]

**Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture):** Mr. Speaker, on closing the debate on the motion for second reading of Bill C-5, I should like to do nothing more than to pay tribute to the directors of the Farm Credit Corporation. I believe, as all hon. members and, moreover, as the great majority of Canadian farmers, that the federal civil servants, as well as those employed in the various regions of this country, are doing a tremendous job to provide the best possible service to Canadian farmers. And for the work they have performed in the years gone by, Mr. Speaker, as well as for that they will most certainly accomplish in the coming years, I feel that we should express to them our genuine satisfaction.

This having been said, Mr. Speaker, I should like to thank the many hon. members who have taken part in the debate these last few days, and for the record, I shall state here that 28 members took the floor in order to express various opinions, raise several points of particular interest to them in the existing legislation, as well as in the amendments now before the House. I thank them for their contribution, since they have outlined interesting considerations, and I can assure them that we listened to them very carefully. The officials of the Farm Credit Corpora-