

Farm Credit Act

Mr. Olson: I am advised that when the family farm concept was put into the act in the first place, the definition of "family farm" was left to be defined in the regulations on the basis of some experience in the various arrangements and structures of the ownership, control and operation of family farms. We believe that we need to have some experience with these more formal arrangements of family farm corporations and other farm corporations where the members participating are actual operators. There are partnerships and there are many other arrangements that are envisaged here. We feel we need some time to gain experience, at least in the first instance, to find out what variations there are in the structures.

Mr. Stanfield: The house has no assurance in this regard. In so far as the family farm is concerned, there is some room for latitude in the definition of a family farm. However, the latitude would be within a quite narrow variation. When you move into the area of corporations, I may say I am not so enamoured of the amendment put forward because it is not narrowing the definition. It does not really prevent a corporation from being involved in many farm operations. The amendment put forward is not really very restrictive. What I am protesting against is the minister asking for a blank cheque and simply trying to soothe the committee by saying it is proposed to do this or that. We have had a number of other instances in which assurances have been given—and I do not want to be offensive—but the actualities turned out to be very different from the assurances given.

Mr. Olson: I accept that reason for raising this point. I would have to say, though, that there were a number of definitions and interpretations that were left to the regulations each time the act has been amended. Indeed, when the act came into force in the first place on July 18, 1939, the definition of a "farmer" was a person whose principal occupation is farming and, for the purpose of part II, included co-operative farm associations and family farm corporations as defined by the regulations. This is not new to the act, it has been in the act for nine or ten years.

• (9:30 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, in reality, the proposed amendment does not mean much. However, that does not mean that I accept the definition or the words of the hon. minister, according to whom we should try out this

new system of financing, and it would be difficult to accept this amendment which means that 95 per cent of the shares would be held by individuals or by the individual contracting the loan under the new legislation.

Mr. Chairman, the hon. minister knows this. The mover of the amendment must know it, too. They know that one has to own 95 per cent of a farm in order to borrow \$40,000, \$80,000 or \$100,000. This means that when the loan is made, when the farmer has given his farm or property as guarantee, the financial system which finances the purchase or loan holds or controls 95 per cent of the shares of that farm. In other words, we are going in circles, always within the same system.

Here, according to the definition given by the hon. minister and which we see in the bill, it is obvious that some people thought very hard in order to come to the conclusion that a farmer is someone who works his farm. I suppose they had to take special courses to understand that a farmer is a man who works his farm and whose main occupation is agriculture.

For the purpose of Part II, this term includes a co-operative farm association and a family farming corporation as defined by the clause.

Mr. Chairman, I had something else to say on the bill itself, but since we are now considering the amendment—that is the subject under discussion—I must say that it means nothing at all under the circumstances, even if the shares are held on a 50 or 60 per cent basis by someone engaged in farming. Evidently, those people can borrow as well as those who hold 95 per cent of the shares. Nowadays, one rather seldom sees people holding 95 per cent of the shares in farming operations, even in western or in eastern Canada, because farms are mortgaged and because land is controlled at present not by the farmer but by those very people whom the minister wants us to accept as lenders to the Canadian farmers.

[*English*]

Mr. Burton: Mr. Chairman, I recognize the difficulties pointed out by the minister regarding the 95 per cent figure that is proposed in my amendment. I simply took the figure in the regulations made under the act, which have applied up to the present time. I should be interested in hearing from the minister the sort of figure he has in mind as being reasonable, taking into account the variety of circumstances that might arise.

[*Mr. Burton*]