

*Farm Improvement Loans Act*

type of unco-ordinated program that I believe could have a serious effect upon the structure of the agricultural industry. Certainly I think this is a matter which has to concern hon. members in dealing with this bill.

• (8:10 p.m.)

Subclause (2) is in the area with which we are most concerned in this regard, the provision which extends the Farm Improvement Loans Act operations to land purchases where the purchases are an addition to an existing owner operated farm. The minister said, in answer to earlier inquiries by the hon. member for Saskatoon-Biggar, that it would be easier to handle these loans this way than through the Farm Credit Corporation. As the hon. member for Saskatoon-Biggar pointed out, it is no easier to handle such applications through one of the lending agencies. You have to deal with legal papers, and there are legal and appraisal costs, just the same as there would be for the Farm Credit Corporation. At the same time I think it would be acknowledged that there are some deficiencies in the Farm Credit Corporation Act in dealing with such applications at the present time. I would suggest to the minister, as I am sure has occurred to him, that these particular problems could very easily be remedied by making the necessary amendments to the Farm Credit Corporation Act when it comes up.

Possibly at first glance it may seem to some hon. members that the principle of extending the Farm Improvement Loans Act operations to land purchases is a good thing, but I would suggest that it raises some serious questions. First of all it undermines the Farm Credit Corporation operations, because that corporation has tried to deal with land transfers and with the development of farm units on a rational and economic basis. They may not have been successful in all cases, but nevertheless I think this has been the direction in which their policy and operations have pointed, and they are to be commended for what they have done in this regard. I suggest that the extension of the Farm Improvement Loans Act operations to land purchases will in effect nullify and counteract some of the good work that has been done by the Farm Credit Corporation in this regard.

I would also suggest that the extension of this particular feature of the act will result in more pressures on land prices, and I am sure hon. members realize some of the problems that this will create. It will also help those who are already better off, because I am

quite sure it is obvious to hon. members that the economics involved for a person who is adding a parcel of land to an existing farm unit are far different from the economics involved for a person who is establishing a farm unit on his own. It will further speed the trend toward rural depopulation, where in many cases this cannot be justified.

So I think that we in this house have to be concerned with the future of the agricultural industry, and we have to take note of just where this is going to take agriculture and the people who are engaged in this industry. I think it will have detrimental effects on the industry, I think that the necessary provision for the addition to farms could be made through the Farm Credit Corporation Act, and that this could be done when that bill is under discussion a little later on in the session.

Therefore I would like to move the following amendment:

That clause 1 be amended by striking out subclause (2) thereof.

Subclause (2) is that portion of clause 1 which appears at the top of page two of the printed bill. I want to assure the committee that it is not my desire in moving this amendment in any way to deny farmers the opportunity of adding to their farm units, because I realize that this is a desirable thing to do; but I would suggest that rather than doing it under this particular act which will have the detrimental effects I have pointed out, we should do it by amending the Farm Credit Corporation Act. Therefore I commend this amendment to the members of the house.

**Mr. Olson:** Mr. Chairman, we would like to see this amendment defeated because we believe that including as an additional purpose of this act the purchase of small parcels of land within the terms that have been laid down in other clauses, such as the \$25,000 maximum limit, in other words providing an additional \$10,000 for land, is a very valuable improvement to the act. Therefore we would like to see the amendment defeated.

**Mr. Woolliams:** I wonder if the minister could explain what the new amendment is. I did not follow it, but I am sure the hon. minister did because he was so definite about it.

**Mr. Olson:** The amendment is really very simple. The hon. member moved that subclause (2) be struck from clause 1.