

Farm Credit Act

[English]

Mr. Olson: In my opinion there are two explanations. One is that in Quebec in addition to the F.C.C. there is a fairly active provincial agency which makes loans. In many of the other provinces there are no provincial agencies which make credit available to farmers. The other important point is that in some other provinces the agricultural sector is a major part of their whole economic structure, more so than in Quebec. I think it would be fair to say that in Saskatchewan agriculture makes up a higher percentage of the total provincial economy than does agriculture in Quebec.

Mr. Ritchie: I would like to point out that in making loans the experience and ability of an individual are taken into consideration. I think that is good, but with the advent of the family corporation consisting of father and son injustices may occur. I realize that the corporation's field men must necessarily cover their bets or percentage losses as best they can, but I submit that a father and son corporation, where the father is in his fifties and is well established in farming, will have a substantial advantage over a young farmer who may not be too well known in the neighbouring district and who may not have as much capital as his family counterpart.

Whenever land is offered for sale in my riding numerous people bid for it. I would like the minister to tell me how the corporation's field men will not discriminate against young farmers in these cases. Other than giving instructions to field men, what can be done to prevent the business of agriculture from losing young farmers who would eventually be successful but who at present are not well known to the field men?

Mr. Olson: I do not know if I can explicitly express how the field men are going to achieve what the hon. member has requested, but I would point out that in these amendments we are increasing the amount available from the F.C.C. to young farmers from 75 per cent of the assessed value of a farm unit to 90 per cent. I think that is a major step toward meeting the request that the hon. member has made.

● (4:00 p.m.)

Mr. Horner: If I understand the minister correctly the reason for changing the words "family farm corporation" to "farming corporation" is that in clause 1 the word "person" has been changed to "individual". Under the

act as it now stands a farmer means a person whose principal occupation is farming. A person is a legal entity and could well include a corporation. If one were to read the definition the other way, a farmer would mean a corporation whose principal occupation was farming. In considering clause 8, the minister assured us that 51 per cent of the shares would be held by persons actively participating in farming. He went on to suggest that in the regulations the percentage would be much higher than that and would be nearly all of them. Why hide behind the regulations so far as the family farm is concerned? He suggested that in so far as the family farm was concerned 95 per cent of the shares must belong to blood relations. Could the minister give us some assurance that perhaps 95 per cent of the shares of these corporations must belong to members of the corporation who are actively engaged in the business of farming?

It is all well and good not to disclose the interest rate and to say that is has to be set later. We did not approve of this idea. Surely this problem is not nearly as touchy. Surely the minister can give us the percentage. Will it be 90 per cent, 95 per cent, 75 per cent or will it drop back to 51 per cent? I do not believe we are being overly inquisitive in attempting to elicit this information. I think it is only fair that the minister should try to enlighten the committee as much as possible during the passage of this bill. By so doing he will also enlighten the Canadian public as to the exact percentage of shares that would have to be owned by actual farmers in a farm corporation.

I have one other suggestion to make to the minister and I would like his comments upon it. I am not particularly eager to move another amendment. I am pleased to learn that the minister is giving some consideration to the amendment I moved last evening. We were pleased to allow clause 6 to stand in order that such consideration might be given. Could the minister not have added the words "family farm corporation" in this clause when he was making these changes? In other words, do not strike out the family farm but leave it in and add "farming corporation" if he so desires. Do not discriminate against the mainstay of agriculture in the past.

I believe the family farm will have a part to play in the agricultural industry. After all, it is only through the co-operation of the whole family that a success is made of this type of farm. Therefore I sincerely urge the