

*Farm Improvement Loans Act*

reported (without amendment) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

**Mr. Kaplan (for the Minister of Agriculture)** moved that the bill be read the third time and do pass.

[*Translation*]

**Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture):** Mr. Speaker, I would like to say a few words during the third reading debate of this bill and ask hon. members to support Bill C-27, to amend the Farm Improvement Loans Act.

As we all know, this act expires on June 30 and we would deprive Canadian farmers of an important and well-appreciated service if we did not pass this amendment today. Mr. Speaker, the bill aims at providing for Canadian farmers better access to short and medium-term credit to improve and develop their business and to improve their living conditions.

Today, we are asking the House to re-establish this act for a period of three years. Since its introduction in 1945, the Farm Improvement Loans Act has been extended several times. In the present situation, it is very important to provide better credit for our businesses, especially in the agricultural sector, and we are also proposing to increase the maximum amount of the loans outstanding to a farmer by increasing from \$75,000 to \$100,000 the amount of loans granted for land condition improvements. Mr. Speaker, the second amendment simply takes into account the increasing costs of agricultural production, such as machinery, fuel, fertilizers, pesticides, labour and so on.

The Farm Improvement Loans Act enables the Minister of Agriculture (Mr. Whelan) to guarantee term loans granted to farmers by chartered banks and other designated lenders, such as credit unions and caisses populaires, for various farm improvements which include, of course, the purchase of farm implements, machinery and material, land clearing and plowing, the installation of irrigation systems, the construction or repair of fences, drainage works, the building, repair or conversion of farm buildings, the purchase of cattle or additional land and major repairs to or the restoration of machinery and tools.

At the present time, the federal government is greatly interested in farm financing through two major instruments, the Farm Credit Corporation which deals with long-term mortgage financing under the Farm Credit Act and which grants medium-term loans to farm syndicates under the provisions of the Farm Syndicates Credit Act, and the Farm Improvement Loans Act, which protects designated lenders against any loss incurred because of medium-term loans.

Under the act, Mr. Speaker, the interest rate that lending institutions can charge farmers cannot exceed their prime rate plus one per cent. May I recall that these institutions must

assure and also ensure the solvency of borrowers, as in the case of any other type of loan. In view of this, and since agriculture is one of the areas where investments are safest, the Farm Improvement Loans Act is not very costly to the Canadian government. Indeed, in 1977 the cost was less than \$190,000 to the government, increasing to \$289,000 in 1978 and declining to \$222,000 last year. This is very little compared to the total loans extended during the same years \$132 million in 1977, \$225 million in 1978 and \$262 million last year. These figures show the real cost to the government of the huge investments made possible by the act. I am thinking of the increased productivity made possible to farming by these investments, and the benefits for the Canadian economy as a whole. Mr. Speaker, all these points were made in support of amendments when the legislation was introduced, again on second reading and when it was discussed by the Standing Committee on Agriculture. The points made against the bill seem rather minuscule and weak when one looks at the numerous benefits of Bill C-27 for Canadian agriculture. Mr. Speaker, during the next decade, Canadian farmers will have an increasing need of short and long-term farm financing, and I feel the federal government has a duty, through the Department of Agriculture, to implement acts promoting the development and improvement of our Canadian agriculture.

During the coming decade, certainly there will be much more emphasis on the food industry than any other, even energy. So many countries are still underfed, while in Canada we have the land, the farming potential and the skilled farmers needed. Bill C-27 is one piece of the legislation under which they can get short and long-term financing. I therefore urge every member to support the amendments to ensure the prosperity of our agriculture and economy, and in turn the well-being of all farmers throughout Canada.

● (1410)

[*English*]

**Mr. Bert Hargrave (Medicine Hat):** Mr. Speaker, I want to take a moment to indicate that the official opposition is willing and prepared to see this bill passed as quickly as possible and become the law of the land.

I would only add that during the second reading debate four of our speakers made some very appropriate comments on the bill, but they were generally supportive of the bill. It is my understanding that the bill cleared the standing committee yesterday morning, and now we would be quite happy to see it passed by the House as quickly as possible.

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, we too will not delay the passage of this bill.

**Some hon. Members:** Hear, hear!

**Mr. Althouse:** I would like to make a couple of brief comments about the bill, about the procedure and some of the discussions which went on in committee, so that the House will be aware of what took place there.