

*Veterans' Land Act*

the time the part III provisions were promulgated at the beginning of September, 1954 to December 31, 1961, a total of 6,855 additional loans were made to full time farmers already settled. Of this number over 50 per cent were made subsequent to August, 1959 when the amendments made in that year became effective.

The existing farm credit provisions, with one exception, have been found to be reasonably adequate and satisfactory to meet the requirements of the veteran whose circumstances are such that a loan can be made to him for the development and operation of an economic farm unit. To overcome the deficiency which has been encountered in some cases it is proposed to extend the purposes for which a loan may be advanced to permit the payment of farm related debts such as a feed bill, taxes, etc. Any loan made for debts of this type is in the nature of debt consolidation. The proposal will also provide, therefore, that a loan for such a purpose may be made only once to a veteran, on the occasion of the first loan he receives after the enactment of the amendment.

In comparison with the well established veteran farmer for whom the existing provisions of the act have been found to be reasonably adequate, it has become increasingly evident that the same provisions do not meet the needs of an appreciable number of veterans who are settled on what might be described as small family farms. I am not referring here to marginal units or marginal operators. The small family farm of which I speak may be classified as one where the farm income permits an acceptable standard of living to the owner-operator and his family, and which may be supplemented by some off-farm income, but where the physical and financial attributes of the unit or the owner-operator do not permit the development of a strictly economic farm unit.

It is estimated that approximately 6,000, or slightly over one third of the veterans who are still settled under the act as full time farmers, are established on properties which today cannot be considered to be fully economic family farm units. These veterans and their families invariably wish to remain on their farms in their existing communities but require additional financial assistance, usually for basic herd livestock, soil improvement, and permanent improvements to the farm buildings including hydro and sewage facilities.

To meet the additional credit requirements of these veterans who are settled on small family farm units, it is proposed to enact a new section under part III whereby fully repayable loans bearing 5 per cent interest over a maximum repayment period of 30

years may be advanced for practically all of the purposes for which part III loans may otherwise be used. The maximum amount which could be advanced under this new section to a veteran on a small family farm would be the lesser of \$6,000 or \$12,000 less any indebtedness outstanding under existing contracts the veteran has with the director under parts I and III. In no case would the amount advanced, together with the indebtedness outstanding, exceed 75 per cent of the market value of the farm land as determined by the director.

The provisions of this proposal, in conjunction with the fact that the trained and experienced staff of Veterans' Land Act credit advisers is again in a position to provide an advisory service to veterans established as full time farmers, should assure attainment by the veterans concerned of a better standard of living for themselves and their families. These factors will also make it possible for economic growth to take place within the line fences of the small family farm, and it is contemplated that such growth will be sufficient in some cases to enable the director to advance the larger loans which are available under section 64 for the development and operation of fully economic farm units.

Recommendations have been made periodically over the years by the Royal Canadian Legion and others relating to the matter of insurance protection on the life of a settler under the Veterans' Land Act. In light of the fact that the plan applicable on a compulsory basis to borrowers under part III of the Farm Credit Act has recently been extended on a voluntary participation basis to farmers who secure loans under part II of that act, there is now reason to believe it might be possible to arrange for the provision of such protection to Veterans' Land Act settlers on a similar basis. A proposal is being introduced, therefore, which will enable the director to endeavour to arrange, on satisfactory terms, a group life insurance plan on a voluntary participation basis.

The major change made in the recent amendments to the War Service Grants Act was to extend to October 31, 1968 the period during which application may be made for unpaid war service gratuity and outstanding re-establishment credits. It is proposed to make a similar extension in the Veterans' Land Act and establish October 31, 1968 as the deadline by which veterans must be qualified to participate in the benefits of part I of the act.

Another proposal will be introduced which will also involve the establishment of a date, in fact two dates. At present the legislation specifies that a person who served in world