

small communities. Perhaps it is an improvement that it provides capital over five years of \$1.5 billion. It is not an increase, but it permits the Act to function without the necessity of returning on an annual or semi-annual basis to Parliament for its funds.

The amount of loan guarantee is being reduced from 100 per cent to 95 per cent. Lenders who find that they have lost money as a result of a loan will only be guaranteed 95 per cent of the loan instead of 100 per cent. It is a shared risk option which I find acceptable in that it will perhaps make the lender a little more conscious of what loans he is providing. However, in these times when lenders are already super cautious, it will add a bit more caution.

What I find objectionable about the Bill is a user fee being imposed on farm loans. Although the Minister explained that one-half of one per cent would be adequate to cover all the losses in the last 42 years, I think it was an unnecessary item to add to the farm scene at this point in time.

What I am most strenuously concerned about—and I will attempt to move an amendment later—is the fact that it leaves a wide open opportunity for the Government to impose user fees at a rate higher than one-half of one per cent. This means that those of us who take our job seriously in Parliament are breaking our own tradition. It is the role of the Parliament of Canada to understand the limits of taxation on Canadians, whether they are farm borrowers, fisher people, or whatever. I submit that this kind of legislation does not live up to parliamentary tradition because there are no limits to the amount of tax the Government can levy under this particular provision. I assume it will be dealt with in time by the appropriate committee which looks at our procedures. However, I regret that a Minister of any Government would submit this kind of legislation without a clearly established cap or limit so that we would not have to continue this constant paperwork and loading up committees unnecessarily. I caution the drafters of Bills, particularly the Government and its Ministers, not to repeat this procedure.

I have another complaint to make while I am on the subject of process. This is the third year agricultural Bills have been presented to us just before the summer recess. This Bill is the ultimate in terms of presenting a Bill just under the wire. The Bill did not even exist until this morning. We did not have the usual time to absorb it.

• (1750)

It is normal for this House to have the Bill come before it the next day. We have allowed it to go through the House very quickly. We have agreed to let the Bill go through all stages even though this particular business of a user fee with no limit is potentially a very contentious kind of thing and we should perhaps have had the advice of witnesses before a committee before permitting it. I flag the issue and hope that the committee on rules and procedures—I know that is not the proper title—will catch it and refer it back to this House along

Farm Improvement and Marketing Cooperatives Loans Act

with a long list of other procedures and other things to be corrected. Meanwhile, I will attempt to have the House agree to correct this item in a few moments.

Clause agreed to.

Clauses 2 and 3 agreed to.

On Clause 4—*Payment of Lenders' Losses*

Mr. Foster: Mr. Chairman, this clause provides that only 95 per cent of the farm asset value will be guaranteed. This means that the bank or lending institution will have to cover 5 per cent.

Could the Minister table all the correspondence that he has received from farm organizations as well as any studies which he has done as to the impact this provision will have on the number of loans which banks will provide? Specifically, I would like to know whether the lending institutions are saying, as I suspect, that in the past the Government has guaranteed the loan 100 per cent. Even with that situation where there is absolutely no risk whatever to the lending institutions, because the Government covered the cost 100 per cent, we had great difficulty in getting the banks to grant these kinds of loans under the Farm Improvement Loans Act. What correspondence does the Minister have from lending institutions and what studies carried out by the Department does he have which would indicate, as I suspect, that lending institutions will just be that much more reluctant to give farm improvement loans if they are not covered 100 per cent?

Can the Minister table that information and tell us what studies have shown with regard to the availability of a farm improvement loan when the Government is guaranteeing only 95 per cent of the loan as compared to 100 per cent.

Mr. Wise: Mr. Chairman, I am not so sure just what correspondence it would be reasonable to table. I would prefer to take the Hon. Member's question as notice. We will check with the Department and see if we have in our possession information that will be helpful to the Hon. Member. Certainly it would be available to him. There is no intent on my part whatever of withholding information.

I can recall though in the consultations we have had with some 40 odd agricultural groups that suggestions were made that these were possible changes we would be considering and that they should utilize the opportunity to respond. I cannot recall any farm organization doing that, although no doubt there were some that expressed a concern about this.

It is no secret that the banks would prefer a 100 per cent guarantee. I think what the Hon. Member is really asking is something that perhaps might be on our minds as well, namely, that that will depend on what happens in the future. It will not be, on reflection, on anything that has taken place in the past but a review of what will take place in the future. Then we will review that to see whether or not it has had any effect.