

Farm Credit Act

for the larger amount borrowed in excess of the present amount which is being provided—\$20,000 in the case of a part II loan and \$27,500 in the case of a part III loan. The interest rate charged on such amounts over \$20,000 on a part II and \$27,500 on a part III loan will be an economical rate, which I think is very appropriate. If I had my way I would suggest that we lower the interest rate to 3 or 4 per cent in the case of smaller loans, but increase it on an escalating scale with the higher amounts; and at that particular level over \$20,000 and \$27,500 I think that an economical rate of interest is very much in order. I think it would be preferable if the small borrower were given a lower rate of interest, and the interest rate for loans over \$20,000 and \$27,500 was in keeping with the prevailing rate of interest charged to the corporation or the government by the sources from which they borrow their funds.

There is another matter on which I wish to congratulate the minister, and it concerns the efforts he has made to establish an inter-departmental committee to consider the whole question of farm credit. As I mentioned earlier, farm credit is not limited to the Farm Credit Corporation under the Farm Credit Act. We also have the Veterans Land Act, the farm improvement loans, various provisions under ARDA for advancing money, and in practically every province there are provincial lending agencies which do a great deal to help farmers. It is the understanding of the minister, who is very familiar with farm credit problems, that we should have a complete study in depth of the entire subject of farm credit, and I think he is to be highly commended for bringing about this inter-departmental committee, which will study the entire question in an attempt to co-ordinate, first of all at the federal level, the various agencies which have provided credit to farmers—and I have mentioned them already. At the same time the committee will try to tie in and co-ordinate our lending efforts at the federal level with the efforts of provincial agencies in each of the provinces.

It is most important that there is no conflict of interest as to where these loans are to apply. In order to bring that about it is very necessary that the federal and provincial agencies work closely together to ensure that money lent to farmers by way of farm credit be used to the best possible advantage. As I said at the beginning of my remarks, credit is most important to any development, and is

essential to a farming operation. Good, sound, intelligent credit planning, with money properly applied, used and administered will do a great deal to improve and assist our farm operations.

By the same token, too much credit or credit not properly handled will be just as disastrous to our farmers. It is not a matter of giving a lot of credit; it is a matter of intelligent provision and administration of credit to see it is properly used and applied. I think that the minister's committee will do a great deal to see that this will prevail; and as I said before the committee will study the entire question of farm credit, both as provided at the national level and at the provincial level, including the agencies involved, so as to determine what should best be done in the way of providing farm credit to the farming population of Canada.

In order to effect certain changes in the operations of the Farm Credit Corporation it is necessary to bring in amendments to our legislation. In glancing over this act we find that about half these amendments relate to provisions in the act, the remainder being regulations over which changes can be effected by the governor in council. I should like to make three or four suggestions which could be given effect to merely by changing the regulation. These would not require changes in the act. I make these suggestions to the minister and to the corporation for their consideration as possible improvements to the regulations, which would assist the Farm Credit Corporation.

First of all, Mr. Speaker, I think that farm credit and the whole matter of credit as it applies to the farmer and to the farm is a matter of education. We have to educate our farmers by working more closely with them, helping them in a supervisory way and discussing with them their problems as related to farm credit. In my opinion the supervisory and field offices should have substantial increases in staff so that they could provide for the farmers the close supervision, discussion, analysis assistance, and advice which is so necessary in order that farmers may make the best possible use of the credit facilities available and direct their farming operations in the most economic way, so that they will achieve what the minister so often describes and what we all so much desire, a sound basic economic farm unit.

According to clause 8 of the act the corporation may employ such officers and employees as it deems necessary for the purpose