

Canadian Farm Loan Act

under the act should be increased. The maximum that can be obtained is \$15,000. We suggest that the maximum should be increased to \$20,000. Sixty-five per cent is the maximum of the assessed value that can be obtained by way of loans at this time. The farm organizations have not complained about that figure itself in some aspects and particularly with regard to the larger loans but they have requested a change in the act so that loans of up to at least 80 per cent of the assessed value could be made, with a maximum loan of \$10,000.

I am pleased that a study is being made in this field and I hope that every consideration is being given to the provision of what one might term managed credit or supervised credit in the field of agriculture. A great deal of useful information, as the minister well knows, can be obtained from examining the experience in the United States. The farm credit administration in that country makes loans on a production basis. Canada has had some experience in this field as well with regard to the Veterans' Land Act under which legislation loans are supervised. I think every one will agree that the experience in regard to loans under that act has been excellent and there is much that could be learned about this method of providing loans from examining the experience under the Veterans' Land Act.

I express the hope to the minister that his major announcement the other day as to issues of long term government bonds at higher rates of interest will not so affect the cost of money being made available to the Canadian farm loan board as to necessitate any increase in the interest rate that the board presently charges.

Mr. Fleming (Eglinton): I do not expect that to happen at all.

Mr. Argue: I am very pleased to have that assurance from the minister. I remember that we discussed this question in the committee a couple of years ago and at that time we were not able to pin down the minister of that day to a definite assurance in this respect. He merely expressed the hope that it would not happen. I thank the minister for his statement and his assurance that the interest rate will not go beyond 5 per cent.

I hope that we may be able to have witnesses appear before the committee on agriculture who are authorities in this field and that we may be able to make a study of the broader field of agricultural credit. In spite of all I have said about the importance of agricultural credit and the importance of making very substantial changes in this field, I would not want it assumed or deduced that I am of the view that agricultural credit of itself is in large part a solution of the

present agricultural problems. As far as grain producers are concerned today, I think you could give them any amount of credit, they could be farming the very best land they could locate, they could choose the size of farm and the type of machinery necessary to give them the most highly efficient unit, and I still believe it would not be possible for them to make sufficient money to pay depreciation, provide themselves and their families with an ordinary Canadian standard of living and have enough left over to restore or replace the equipment after it had worn out. In other words, regardless of the amount of credit or the kind of terms on which it was given, this would not solve the problems of those engaged in the production of grain.

I believe I heard some one in the Liberal group saying something about going to California.

Mr. Robichaud: That is not correct.

Mr. Argue: I will accept that as a correction of my interpretation of the rumblings I heard back there. I might remind the hon. member that it has already been said during this session by a very prominent and outstanding member of his party who is considered the agricultural spokesman that farmers on the prairies are in a much superior position to farmers in other parts of Canada.

An hon. Member: It is true.

Mr. Argue: Someone says it is true. To those who think that in the winter a farmer can move to town or go to California, I can reply that it "just ain't so". The farmers on the prairies as in any other part of this country are working very hard. They obtain very little for their efforts. If you think that a good farmer is able to take a holiday, much less go to California, I take pleasure in informing you—

The Deputy Chairman: Order. I must remind the hon. member that this resolution does not include reference to a trip to California. May I request that the hon. gentleman direct his remarks to the subject of the resolution.

Mr. Argue: I appreciate what you have said, Mr. Chairman. Your remarks are certainly well taken. Even in his most generous moments I do not think the Minister of Finance will be providing any loans for trips to California and if any farmers are taking loans under this act and subsequently making a trip to California, I suggest that their chances of repaying the loans will be greatly reduced.

When hon. members speak on a question like this they should agree first of all that farmers in all parts of Canada have very serious problems one of which is to obtain adequate credit on reasonable terms. It does