

Haig, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, the 12th day of August, 1958, at 8 o'clock in the evening.

Motion agreed to.

CANADIAN FARM LOAN BILL

THIRD READING

Hon. W. M. Aseltine moved the third reading of Bill C-38, to amend the Canadian Farm Loan Act.

Hon. William M. Wall: Honourable senators, it is not my intention to delay the third reading of this bill, but I had hoped that either the Leader of the Government (Hon. Mr. Aseltine) or one of the Government spokesmen would make some sort of statement on third reading in response to the observations which were made and to the questions asked in this chamber concerning certain improvements or amendments to the act to meet more adequately some of the problem areas which were indicated on second reading. I would not wish to draw incorrect inferences from the fact that these observations were not answered by the Government in the house here or during the committee proceedings, which I followed with great interest.

For example, the honourable senator from Milford-Hants (Hon. Mr. Hawkins), if I understood his remarks correctly, stressed the problem area of the relationship between the Nova Scotia Land Settlement Board, the provincial credit institution for agriculture, and the Canadian Farm Loan Board. He spoke at length about that problem and he made some observations concerning the problem of consultative and supervisory services to agricultural borrowers both at the time of negotiating for loans and later during the course of repayment. I had hoped that probably some indication would come from the Government as to its attitude, either now or in the immediate future, concerning this problem.

I wish to bring to the attention of honourable senators what the honourable senator from Westmorland (Hon. Mr. Taylor) said the other day. I note that he is not present in the chamber at the moment. The honourable gentleman raised three very interesting problem areas, and he is a man of experience, for if I remember correctly he spent some 17 years administering the Farm Settlement Act in New Brunswick. He pointed out these problem areas: first, that a partnership or a private corporation could not secure a loan above the amount that was granted to an individual, and that this was a problem area which is of serious proportions at the present time;

secondly, that according to the present regulations the valuation placed on a property on which the appraised value is obtained is based on cultivated farm lands and buildings only, and that this creates a very serious problem in eastern Canada because woodlots are not included in the appraised value before loans are granted.

The honourable senator pointed out also that the present Farm Loan Board Act almost precludes a young farmer from getting a loan. Let us suppose there is a young farmer who wants to buy a farm. Unless he already owns a farm he cannot get a loan, and the Farm Loan Board as such has no authority to buy a farm and then sell it to this individual. Hence there is a problem area for the young farmer who has no land, wants to start operating a farm, and maybe has \$5,000, \$6,000 or \$10,000 to begin with. If he has no land, no holding, I understand he cannot get a loan.

I also pointed out during my brief intervention that I hoped I might see in this legislation the kind of amendments that were stressed—that were advanced as logical legitimate, and necessary—by the present spokesmen of the Government back in 1956. I mentioned that the two points that were raised at the time—and as a matter of fact I agree with them—as necessary, sequential amendments to meet the kind of farm credit needs that were becoming more acute were: (a) changing the percentage relationship of appraised value to 75 from 65, which was the proposition, if I may now mention it, advanced by the honourable senator from Hastings-Frontenac (Hon. Mr. White); and (b) that the amount of the loan be raised from \$15,000 to \$20,000.

Hon. Mr. Roebuck: May I ask the honourable senator a question? Is there anything in the act or in the regulations which makes it impossible for a proposed purchaser to accept an offer of sale or to make an offer to purchase subject to the obtaining of a loan of a stated amount from the board?

Hon. Mr. Wall: I must confess that I cannot answer that question, but it was a question that was raised by the honourable senator from Westmorland and it was not answered in committee. I am just raising it or indicating it as a problem area that appears to exist and was not taken care of in the simple amendment to the bill which merely increases the board's capitalization.

Hon. Mr. Roebuck: Perhaps we will hear from the Government on that particular point.

Hon. Mr. Wall: I am hoping that will be so.

Quite frankly, I was tempted even at this late stage to move amendments to this bill