

Committee on Estimates

interest rate is 5 per cent. Experience in the United Kingdom and in Europe indicates that agricultural credit can be extended very successfully at not more than 3 per cent for loans that are kept up to date. I think the experience of our own Canadian farm loan board indicates that the investment in loans on Canadian farms has been a sound investment throughout the years. It indicates the excellent security and stability of the Canadian farmer. I feel that the experience of the Veterans' Land Act administration bears this out also. Incidentally they have lent considerable sums of money to veterans wishing to settle on land in my constituency and I have yet to hear of the first failure to meet the payments within a reasonable time.

I do urge, therefore, that consideration be given to making the interest rate 3 per cent. As I said before, the experience with agricultural credit in Great Britain and the European countries indicates it is a sound policy. It has proven sound for many years. I believe we should do that at least for these young men and women particularly who are anxious to go into pioneer districts, clear the land and add to the total production of this country. We need to develop our agricultural resources. We need to provide opportunities for our young people. I make this suggestion, Mr. Chairman, as a result of some experience in farming myself, some personal knowledge of the conditions I speak about, and I do urge the minister to give consideration to my representations.

Mr. Hahn: We in this group consider this legislation very desirable, largely for the two reasons suggested in the resolution itself. First, it says that loans shall be increased to a maximum of \$15,000, and secondly loans can be a maximum of up to 65 per cent of the land value. However, we do have a criticism to make concerning the past operations of the act. Frequently we find that appraisals are much too conservative and the property is actually worth many times the value the appraisers place upon it. This makes it impossible for a farmer to get a loan of a reasonable size.

Frequently, we hear remarks to the effect that the appraisals are more conservative than one would get from ordinary mortgage companies. I am not sure of the exact workings of the act. If representations are made by the Fraser valley fruit growers, who suffered such a serious loss from frost in November that they will not have a strawberry crop for the next three years at least, I certainly hope that those funds will be made available to them in an amount that will make it practicable for them to go back to the raising of that particular crop.

We have the large area in the Cariboo section of British Columbia which is going to be opened to the public as soon as the railway line is completed. We are satisfied that those who wish to settle in that area to farm should be able to find some use of this act, if it should function in the way in which we hope it will function.

I should now like to refer to the section having to do with fishermen. I am not too certain whether the intent here is that it should act as a revolving fund. It would appear to be so. For that reason and for reasons which others have given who have spoken on this resolution, I hope that when the resolution reaches the bill stage it will be referred to the standing committee on banking and commerce for further consideration and discussion.

Resolution reported, read the second time and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 84, to amend the Canadian Farm Loan Act.

Motion agreed to and bill read the first time.

COMMITTEE ON ESTIMATES

MOTION TO APPOINT SELECT COMMITTEE

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That a select committee be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the house.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I propose to refer only briefly to the motion, but I should like to make two points. First, we had a very considerable use of this committee last year, and it seemed to me that—I know there will be objections voiced with respect to some of the procedure in the committee—the committee did perform a useful function. I do not think it can be said that it cut down the time of consideration of the estimates in the committee of supply, but that was not the only reason for appointing the committee. There were many other reasons, and it does seem to me that we ought to continue the experiment for another year at least, if not longer.

Last year, I think the house will recall, we placed before the committee the estimates of four departments. In discussing the motion I said it would be desirable to try to get around to all of the departments in the course of a parliament which would run the normal period of time. That is still our intention and our hope.