

*Canadian Farm Loan Act*

insurance companies can find more attractive fields for their investment and, as a result, they are investing a smaller and smaller percentage of their investment funds in farm mortgages. The recent action of the Bank of Canada in restraining credit has also had an adverse effect on farm credit so that today the Canadian farm loan board, as never before, is the main source of farm credit in our country.

The amendments which were made to this act last session have been very beneficial, and I would certainly disagree with the last speaker when he says that the Canadian farm loan board is not playing an important function in agriculture. In my part of the country it is well accepted and supported by the farmers. I am glad to see that more money is being lent to the farmers than ever before by the Canadian farm loan board and that the amount of each loan has increased. To date the board has lent upwards of \$120 million and at the present time has outstanding loans of nearly \$50 million. These figures prove without question that the Canadian farm loan board is being of great assistance to the Canadian farmer.

I am particularly pleased to note that the time lag between the placing of an application and the granting of an application by the giving of a loan has been greatly decreased. I think the figures in the banking and commerce committee of last year indicated that 50 per cent of the loans took longer than 50 days; whereas a recent appraisal in the province of Ontario shows that during the present fiscal year 80 per cent of the loans are paid within 40 days. I believe, however, that further progress can be made in this regard and I would urge the Minister of Finance (Mr. Harris) to ask the Canadian farm loan board to do everything possible to cut down the time required for processing these applications. I know of a few isolated cases where there seems to have been an unreasonable delay in dealing with the applications.

In supplying credit to farmers at the rate of 5 per cent the Canadian farm loan board is supplying mortgage money at 2 per cent lower than the going interest rate and cheaper than other government agencies. I think this is very commendable indeed and is an indication of the interest of the government in the agricultural industry of this country. I must, however, agree with some speakers who have taken part in this debate that the board is too cautious in the appraisal of farm property.

The appraisals are invariably made at figures much less than the market value. I would suggest that this matter be approached

[Mr. Robertson.]

in one or two ways; either that the maximum loan be greater than 65 per cent of the appraised value or that we have a more realistic appraisal policy. I feel that one or both of these approaches is necessary if we are not to unduly restrict farm credit. I would suggest, however, that the providing of farm credit is not the sole responsibility of the federal government. I think the provincial governments have a responsibility in this field and we know that some of the provinces are playing an important part in providing farm credit.

I think the most successful farm loan board is that in the province of Quebec but I would also pay tribute to the junior farm loan plan which is operated by the government of the province of Ontario. Under this plan money is made available to some of the younger farmers of the province. I believe that all of the provinces, not only those which have no farm loan board but also those that have, should review the situation to see if they cannot provide more credit for the farmers of their provinces.

I think that the whole approach to the farm credit problem should be periodically reviewed by all levels of government in this country and changes made to keep pace with the changing conditions of agriculture. I believe that on the whole the Canadian farm loan board has been most helpful and has played an important role in the development of agriculture in this country.

**Mr. G. W. McLeod (Okanagan-Revelstoke):** Mr. Speaker, I would like to say a few words on this measure at this particular stage. I welcome the addition to the capital fund of the board and I hope that it augurs well for more widespread activity in catering to the needs of farmers throughout Canada. I heartily endorse the words of the last speaker, the hon. member for Grey North—

**Mr. Benidickson:** Northumberland.

**Mr. McLeod:**—when he put forth the criticism that he thought the board was too cautious in its appraisal policy and its operations.

I am going to confine my remarks mainly to the province of British Columbia. There is from that province a general complaint that the appraisers are too conservative in the valuations which they put on the property and I believe that figures would bear this out.

**An hon. Member:** The same is true in New Brunswick.

**Mr. McLeod:** I do not doubt it; apparently it is generally true across Canada. However, the figures I shall place on the record are