

cent of the valuation, at a rate of six per cent. Obviously when interest rates are high the incongruity of the situation arises. What the hon. member for West Edmonton (Mr. Stewart) says is perfectly true; in the changing conditions of this country there are discriminations that arise by reason of the lapse of time of a single year. The man who pays all his debts as they come due sometimes finds himself very much worse off than the one who waits and waits and waits, and then has greater facilities and more opportunities to pay his obligations than he would otherwise.

In that regard I recall a story; I am not a good story teller, but this story is very apt. A distinguished gentleman who had a quarrel with another because of the interest he was paying wound up by shaking his fist very vigorously and saying, "You can say nothing to me; I always pay one hundred cents on the dollar." "Ah," the other replied, "that is where I have the better of you. I pay ninety per cent and take the benefit of the discount." Perhaps that illustrates the difficulties of the situation to which hon. gentlemen have referred. That was an actual happening that came under my observation when I was a very young man, and I then realized the value of discounts in business.

Be that as it may, however, I should like the house to realize that this resolution does not contemplate a change in the structure of the farm loan board, nor does it contemplate any substantial change in the method of administration. But if, during the progress of the discussion, it becomes apparent that it is the wish of hon. members that something of that sort should be done, we will endeavour, in the hot days of June, to meet their wishes to the best of our ability.

Motion agreed to and the house went into committee, Mr. MacDonald (Cape Breton South) in the chair.

Mr. COOTE: I should like to ask the Prime Minister a question. At what rate will the farm loan board be able to make loans?

Mr. BENNETT: There has been no change in that regard. I suppose the hon. member followed me a moment ago—

Mr. COOTE: I happened to be out of the house.

Mr. BENNETT: —when I said the present rate was six per cent, plus the purchase of stock.

Mr. HANSON (York-Sunbury): I should like to ask if there will be any change in the regulations under which loans are made. I have had a great deal of experience under this act, and my experience has been similar to that of other hon. members. At the present time an appraisalment is made by an appraiser appointed by the provincial board. They lend up to fifty per cent on a conservative valuation of the land and twenty per cent on the improvements. My experience has been that it takes about six months to put through a loan, and by that time the farmer has lost all hope; he cannot wait. The valuation is so conservative; the appraisements are so reduced and the amount allowed for improvements is so small that I think it would have been far better if the legislation had never been passed.

I remember the circumstances under which this legislation was set up. The minister was a canny Scotsman. He did not want to enact this legislation; he held off as long as possible, and when he did put it through I think the experience of all hon. members proves that it was of little or no benefit to those whom it was intended to help. I think we might as well wipe it off our statute books.

Mr. SPEAKMAN: There is just one other point, which might be clarified if not in the law at least in the administration. I think my experience has been the same as that of other hon. members; when a situation was brought to our attention which appeared to us to savour of injustice, we took it up with the provincial board. We were informed that the act had been perpetrated under federal authority, over which the province and the provincial board had no control. Then, when we took it up with the federal board, we were informed that it came entirely under provincial administration, and I have seldom seen a more successful exhibition of passing the buck than has been exhibited by those two branches of the administration of this act. I trust that this may be clarified, if not in the act itself then in the regulations or in the method of administration, so that we will know whom we are to hit.

Mr. BENNETT: When the bill based upon this resolution is before the house I shall supply the hon. member for West Edmonton (Mr. Stewart) with the details of interest arrears and produce copies of the regulations. We will carefully consider the bill in committee of the whole house, and if hon. members have amendments to suggest which will improve the situation, if they will bring them