

the Farm Loan Board, around 1935, and I just want to describe some of the things that happened then. Let us suppose that a farmer had a mortgage debt and also what is known as unsecured liabilities, and that his total debt, both mortgage and unsecured, amounted to \$4,000. Well, if he made application for a loan I had to draw a plan of his farm, to note the size of his buildings and even to observe what sort of a wife he had, whether she appeared to me to be an aggressive person or sort of slack, because all that helped, mind you, to determine whether he would be competent in the future to repay the loan. All these factors had to be taken into consideration. If I felt that man would be able to repay the loan, but that his property and so forth was not worth \$4,000, I probably could recommend him for a \$3,500 loan. What then did we do? I would advise him of what was decided. Now, in 1934 Farmers' Creditors Arrangement Act was set up and that farmer would have to go before the Farmers' Creditors Arrangement Board and make application. He could get a farm loan of \$3,500, but remember he owed \$4,000. And what was he going to do about that? Well, his creditors were called in and they probably nipped off a bit here and there and got his debt down to \$3,500.

Hon. Mr. Haig: They sure did.

Hon. Mr. MacDonald: That's the point. But I believe that the Farmers' Creditors Arrangement Act was the salvation of a great many people in eastern Canada, through enabling them to stay on the farm. I only hope that if this bill goes before a committee I will have the privilege of attending and finding out some information on how this farm loan business is working today. Let us take care that the day will not come when that same sort of Creditors Arrangement Act will have to be brought to life again.

I am not going to say much more. I just wanted to give you a picture of the set-up as it was back in the year 1935. What has happened since then I do not know, but I am going to make it a point to find out.

Hon. F. W. Gershaw: Honourable senators, I heard someone saying something about delays in getting loans from the Canadian Farm Loan Board. In the part of the province from which I come, not only are there long delays before a loan is processed but the answer at the end is always "No", and that for two reasons: one, that some of the applicants are located on irrigated land and possibly not enough information has been gathered yet for the board to properly judge their worth; and secondly, that the rest of

the applicants are located in a dry area, and when they apply for a loan they are told something to the effect that loans are not being made on farms in that part of the country, where crop failures occur so often.

I hope that as time goes on those defects will be overcome and that the board will perhaps be better informed and a little more generous so that farmers from all parts may benefit by these farm loans.

Hon. William M. Wall: Honourable senators, I cannot resist the temptation to comment upon this bill, both upon what is in it and also on what is missing. Like other senators, I welcome the legislation because it meets an apparent and documented need for more financial funds with which to give help to farmers, and I wish to express my intention to support this amendment.

The bill was presented to us as a simple, clear piece of legislation which was urgent—urgent because unless it was passed lending would have to stop, as present funds would be exhausted by October 15 and, as I understand it, there has been an accelerated demand for loans within the present statutory limits and regulations. I notice that in June of this year loans were 70 per cent higher than they were in June of last year. For example, in the first six months of 1958 there were 106 per cent more loans than in the first six months of 1957, so that there is some urgency to this legislation. We support this amendment, which is akin to the amendment made back in 1957 when the Canadian Farm Loan Board's capital stock was increased from 30,000 shares to 40,000 shares.

I for one hope that the bill will be referred to committee, because it appears that important changes in methods and procedure have been made since the last amendment to the act, and that there is a change of tone and attitude in the way the board has been handling this work since 1956. I think that it probably would be interesting for honourable senators to have more specifics about these changes.

I must align myself with honourable senators who have spoken before me—the honourable senator from Milford-Hants (Hon. Mr. Hawkins) and the honourable senator from Westmorland (Hon. Mr. Taylor)—in expressing my disappointment that the bill is so brief and its contents so far removed from the comprehensive changes in farm credit statutes which I was led to expect. Merely to increase the board's capitalization by \$2 million and therefore its borrowing power by \$40 million, and its lending power by \$40 million or more if a part of the capital is also used for mortgages, is all very fine. But that is all.