(iii) Government lending and guarantees

In other areas where government financial institutions operate or government guarantees are offered, the objective should also be to encourage the private markets to do the job themselves to the fullest extent possible. Thus the Commission argues that the economy will be better served eir funds in common stocks and that the present rigid valuation rules if the rates charged by the Farm Credit Corporation and the Industrial Devel However, these changes are not expected to lead to a radical alteropment Bank move more closely with market rates so private lending is not empany investment policies inhibited (pp 229-32); the Commission recommends raising the maximum amounts of F.C.C. loans to handle the requirements of larger farms. The rates on The N.H.A. rate should be freed (subject to an upper limit) so Farm Improvement Loans and other private loans guaranteed by the government at device viabacces a secondary and discourage a secondary market in have not moved with market rates since the programmes were instituted: the disruptions resulting from the Sages (p.285). This would everou private lending is thus actually discouraged by legislation intended to help excessive rigidity in the rate: it would also enable C.M.H.C. to withdraw particular borrowers (pp 233-4). Finally, on the question of government entimed Laubiser evisesm edf morl financial institutions the Commission briefly reviews some aspects of as a sol laneljutijani janj sbeem t public pension arrangements. Without putting forward specific proposals ent rol 200) 2012 dd mori bestared gaibael egestar on solitar ends of its own, the Commission stresses the great importance of giving the Just of early thought to this matter because of garage seaters and the gar of (sakes sparked sedest) most careful thought to this matter before committing the country to arrangements which may have major consequences for financial markets and the -nevnes ofat ada These changes, together with ent economy generally (pp 262-4).

(iv) Bond and stock markets and securities legislation

The Commission's main recommendations are designed to ensure that abuses do not reduce the efficiency of the markets and reduce or distort the flows of funds through them (pp 344-5). While stressing the vital role of self-regulation by the securities industry (p 347), the report argues that it must be supported by good securities legislation enforced by strong securities commissions. Despite considerable progress, the Commission finds the present situation unsatisfactory and recommends that the federal government take the lead in cooperation with provincial governments to