

Canadian Farm Loan Act

this time. The farmers on small farms are in great need of credit and the time element is of the greatest importance. I must agree wholeheartedly with the remarks made by the hon. member for Grey North (Mr. Bennett) when he mentioned this question of the time taken in processing Canadian farm loan board loans. When we consider the very restricted time during which loans can be made, namely from the end of May until some time around the first of December, then we begin to see the real limitations that are imposed on the small farmer who has to depend on the Canadian farm loan board for his credit needs. I would suggest that everything possible should be done by the government to speed up the processing of the loans. I should like to say that the man on the small farm is quite possibly in a great deal more difficult position than the man on the large farm because, in many instances, the man on the large farm does have easier access to money.

In closing, I would once again like to emphasize the need of appraisers taking advantage of the very comprehensive soil maps which are available in many places, and using those soil maps as a guide in off-season periods for the basis of their appraisals.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Appelwhaite in the chair.

On section 1—*Capital stock.*

Mr. Argue: When we were at the resolution stage I pressed the parliamentary assistant and the minister to see whether I could get them to make a statement as to what the rate of interest might be that the Canadian farm loan board might charge between now and the next session of parliament. A retort was made by somebody as to whether or not I thought this particular government would be in office next year. I am wondering whether the parliamentary assistant can say that this government will give farmers across the country the assurance that as far as it is concerned there will be no change in the interest rate between now and whatever time it may be in power, and up to the next session, if it is still in power. I think it is a reasonable request to make that the interest rate should be held.

The Canadian Federation of Agriculture impressed upon the banking and commerce committee and the government the need for having the current rate of 5 per cent substantially reduced. We know that the whole trend of interest rates across the country today is on the increase and I think the government should give the committee the benefit of its thinking on this question. I am wondering whether the parliamentary assistant has given any consideration to this

matter, and whether he can assure the committee at least thus far that even with the 4 per cent rate that is now being charged the farm loan board in fact will be able to continue to operate with loans at 5 per cent?

Mr. Benidickson: Mr. Chairman, I know my hon. friend showed some interest about this point when certain amendments were made to this act last year and they were considered by the banking and commerce committee. We had as a witness before that committee the chairman of the board. He indicated that he could not see very far into the future on a matter of that kind.

I recall that this session when this particular bill was at the resolution stage the hon. member for Assiniboia raised a question very similar to the one he raises now in committee of the whole, and I said that decisions of this kind had by parliament been left to the board and I quoted to him at that time the relevant section of the farm loan act that related to interest rates.

Mr. Argue: Can the parliamentary assistant say whether or not, from his knowledge of the act and its administration, at 4 per cent the board can continue to show a margin of profit? Is it not a fact that if the 4 per cent rate continues for any great length of time it is bound to result in one of two things, either an increase in the rate above 5 per cent or a net loss to the board in its operations?

Mr. Benidickson: Mr. Chairman, I think the essence of the hon. member's question is a supposition that a certain basic interest rate might continue. I said earlier that I would not want to forecast that basic rate, and if that is the basis of the question which he asks me I think he understands that I could not answer his question.

Mr. Argue: Has the government given any consideration to making the interest rates statutory? It is a very unsatisfactory state of affairs to have this interest rate left uncertain, left up in the air. I want to express my personal satisfaction with the fact that the interest rate has been held since I raised this question in the banking and commerce committee last year; but it does seem to me that in an act as important to the agricultural industry of this country as this one is it would be a more satisfactory state of affairs if the interest rate were made statutory for a given period of time, even if reviewed from time to time, rather than leave it in the discretion of the farm loan board. I think the Canadian farm loan board itself might find it exceedingly embarrassing to attempt to hold down its own rate of interest in the