

way from the same bank. Can the minister explain that?

**Mr. Olson:** The difference is that when the hon. member borrows money for the purchase of land he may take the loan for 15 years while if he borrows money for a piece of equipment he may do so for three years.

**Mr. Horner:** I wish to speak on the same point, Mr. Chairman. If a farmer borrows \$3,000 to \$10,000 for machinery and takes another loan for land at the same time, both to be repaid in five years time, would the rate be the same?

**Mr. Olson:** Under the past provisions of the Farm Improvement Loans Act my hon. friend knows that a different note was written for each piece of equipment and for different purposes.

**Mr. Horner:** In the past the rate was the same for each piece of equipment and for each purpose. I am as confused as the hon. member for Mackenzie is. If there are two rates of interest, will one apply specifically to land and the other to machinery, or will one be charged for a five year term and the other for a longer term?

**Mr. Olson:** I do not wish to confuse the hon. members. I told them at the outset that all the details have not yet been worked out. Surely hon. members recognize that we need the authority of this parliament before we can initiate discussions of negotiations with all the financial institutions involved. If we went to them without the authority of the house and spoke about the proposed amendments, they would be asking precisely the same questions such as, what will parliament agree to, and so on. This is exactly what the Minister of Finance wants, namely, the authority of the house so as to enable us to give a government guarantee under the provisions of the act. It is only then that we will be in a position to make arrangements with the banks. We want to do it as quickly as possible.

**Mr. Korchinski:** I am glad the minister wants to rush this legislation through because I want that also. But at the same time I want to have a few questions answered before I rush into this headlong and find it is too late to back out of it. If, as the minister says, the banks are waiting to know what this house wants, I think we can provide the minister with some suggestions in due course. However, there are several questions which I wish

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to put to the minister. It may be that the minister has dealt with this one; nevertheless I will put it to him. It is to be presumed that eventually this bill will be passed in one form or another and will receive final reading regardless of whether or not it is acceptable to us. Therefore, will it be possible after this legislation is passed for many of the farmers, who have taken loans in the interim period at rates which were not too satisfactory but which they had to accept at that time, to refinance their loans under the provisions of this bill or will they not be given this opportunity?

**Mr. Olson:** The Minister of Finance answered this question some months ago. He said that any bank loan which was made since the expiration of the former act on June 30 would receive the government guarantee.

**Mr. Korchinski:** There is only one other point I wish to make. It seems to me the minister is vague as to what the final rate will be. Can he tell us what the final rate will be? Is there a conflict among the banking fraternity, that is, the chartered banks, the near banks and so on, as to loans which would be available from other sources? Is this why we cannot arrive at a final determination of the formula? I am wondering whether this is where the trouble lies. If so, I repeat that the minister should simply deal with the banking fraternity at this stage. I realize that many of the credit unions are giving depositors a higher rate of interest, and this does make it difficult to bring them in. The only way we can do so is to raise the rates, and I do not think that is in the interests of the farming community.

• (4:40 p.m.)

While the intention of the bill may be good, since these things cannot be done overnight I suggest that the minister simply deal with the banking fraternity and see whether the other lending institutions can work out their problems to enable them to fit within the framework of the bill.

**Mr. Olson:** Mr. Chairman, we think there is room in this area for all of these various institutions to provide credit. I do not think there is any conflict.

**Mr. Korchinski:** Is there a conflict between the banks and the near banks?

**Mr. Olson:** Not that I know of.