

*Farm Improvement Loans Act*

week, and his day off. At the beginning of the week ministers responsible for financial matters are supposed to be in the house; the Minister of Agriculture is to be here at the end of the week. This cabinet operates on a three day basis. The Minister of Agriculture must know, as I know and as every farmer knows, that all across Canada, down to the remotest parts of Newfoundland, farmers put in seven days a week and 16 hours a day. Yet the Prime Minister had the gall to say that the Minister of Industry, Trade and Commerce, who speaks for the wheat board, can only be in this house for three days a week. That is enough of a week for him. Also the Minister of Agriculture can be here for only three days a week. If one dares to ask a question to do with the agricultural industry before the Minister of Agriculture is to be in the house the Prime Minister will stand up and say, "Surely this question can wait until tomorrow. The minister may be here tomorrow." I call that contempt of the agricultural industry.

**Mr. Woolliams:** Or of any other industry.

**Mr. Horner:** The government has on the order paper four pieces of legislation that will increase interest rates for farmers. None of this legislation spells out just how rates are to be increased. We have asked many questions; we have asked the minister if he has a formula; but he has just hedged and squirmed. We thought we had him pinned down once, when he said the rate would not be more than 1 per cent above the prime government borrowing rate. That is what he said three or four nights ago. But since then he has not been so confident. A little while ago he suggested that the interest rate would fluctuate quarterly, or that there might be two interest rates. I suppose one will be based on the rate paid on long term government borrowings, and the other on the short term borrowings. I do not know, and he has not told us.

We have tried to co-operate and to push this bill through as quickly as possible.

**Some hon. Members:** Oh, oh.

**Mr. Horner:** The other day we asked the government to bring forward as quickly as possible the Prairie Grain Advance Payments Act. I see the minister nods his head. And what are we to consider tomorrow? Estimates, and not agriculture.

**Mr. Olson:** We have some time left tonight.

[Mr. Horner.]

**Mr. Horner:** In so far as it lies within my power to do so, I shall do my best to see that the present bill passes tonight.

**Some hon. Members:** Oh, oh.

**Mr. Horner:** Oh, yes. I see hon. members agree with me completely. They are pounding their desks.

With that thought in mind I would move the following amendment:

That clause (2) at line 42 be amended by striking out the words after "at" and inserting the following:

"a rate of interest half of 1 per cent above the quarterly average of short term government borrowings, not to exceed 7 per cent per annum."

As will be seen, we realize that interest rates have risen steadily since the government took the lid off them. Let no one call us ultra conservative. If the amendment is accepted the interest rate will fluctuate to a maximum of 7 per cent, a full 2 per cent above the old interest rate set under this act. No one can say our party is not generous to banks. If the minister rejects our amendment he will be saying, "I am not too concerned about the agricultural industry."

The report of the Economic Council says that our agricultural industry must have capital. We have given full vent to our imagination in our amendment in trying to recompense banks adequately for agricultural loans. For this bill to have practical application the banks must be entitled to charge the high interest rates brought on since this government removed the old 6 per cent bank rate ceiling.

According to statistics and from what I have learned from the Bank of Canada, the present rate on 182-day bills is 6¼ per cent. That would mean that, under our amendment, the banks could charge a full 1¾ per cent more than they could charge when the act become null and void on June 30. The minister cannot therefore say that our amendment will not allow the bank to earn enough, and that therefore money will not be made available to agriculture.

He has sources of information not available to me. He knows what the banks want. He has talked to them, but he did not disclose that to us. He has talked to the financial institutions; he knows what they want. If he can stand up here and say that this amendment would, if adopted, bring about a higher rate of interest, then I would be the first to withdraw the amendment. We on this side