

Canadian Farm Loan Act

misunderstanding could be dissipated if officials would attend farmers' meetings on occasion and explain the workings of the board, the regulations under the act and so on.

In addition to that I think difficulty is caused by the varying circumstances in a province like ours. There is such a difference between conditions in the Fraser valley, northern British Columbia, the Okanagan and the garden of Eden where I live. I do suggest that advisory boards similar to those in operation under the Veterans' Land Act would be very useful indeed. I fully realize that someone has to have responsibility for granting loans, but I think a board composed of representative farmers in the district, who have had long experience there and who understand conditions, would be very useful in giving the farm loan board an accurate picture of any situation, and would be useful to the farmers who are making application for loans.

Before concluding, I do suggest that after the Senate committee has completed its study of land use in Canada it will become more than ever obvious that a number of farmers in all provinces are farming on submarginal land. I feel consideration will have to be given by this government to amending this act to meet that situation so that farmers now farming submarginal land will have an opportunity to be transferred to fertile soil. Then, there is the question of the young farmer without capital. If there is any aspect of the development of farm operation that should receive very sympathetic consideration, it is doing everything possible to place young Canadians who are willing and anxious to farm on suitable land and giving them an opportunity to assist in the agricultural development of this country.

Mr. H. A. Bryson (Humboldt-Melfort): At this stage I should like to refer briefly to two or three aspects of this legislation which the experience of borrowers would seem to indicate are rather objectionable. I should like to go along with the complaints and arguments that have been advanced by the hon. member for Restigouche-Madawaska (Mr. Van Horne) in his references to the shortcomings of the Canadian farm loan board in respect to farmers in the maritimes. I do feel that we in western Canada and the people in the maritimes possibly have more in common in respect of credit than other parts of Canada, which have other industries upon which the economy can fall back to a greater extent.

First of all, I should like to refer briefly to one of the objectionable features of this measure, and that is the amount of money

[Mr. Herridge.]

which is made available to borrowers, namely the 65 per cent of the appraised value. When we realize that the appraised value does not reflect the actual sale value, then of course this question becomes even more difficult. I feel there is still a case to be made for the supervision of loans. The supervision of loans has proved its worth in the United States, particularly in the north and northwestern part of the United States where loans up to 100 per cent would be made under the home improvement administration to people who are going to engage in a farming project.

It is rather disastrous to suggest that large sums of money, such as can be borrowed under this act, should be made available to farmers without supervision. Sometimes when the loan is made the board find that they have, in reality, financed an under-capitalized project. Certainly the losses incurred through this kind of business can be of tremendous importance; therefore, the government should give very careful consideration to this problem of making larger loans subject to supervision. I think farmers generally are prepared to accept a considerable amount of supervision. I know that in western Canada the agricultural representative service is always shorthanded, which is positive proof that the farmers are prepared to accept more and more supervision because agriculture is becoming a very specialized occupation. I believe that if the government would introduce larger loans with supervision, that is would lend money under a responsible body possibly even to the extent of the full capitalization of a project unless there were some reason to believe the project would not survive, we would have some measure of success.

As a matter of fact, money is lent under the Veterans' Land Act under much more favourable circumstances. There is supervision involved, and I feel that the results achieved have been something noteworthy. I think also it would be advisable—and I was glad to hear the parliamentary assistant on a former occasion during this debate refer to it—to have credit unions placed in a position similar to that of the banks with respect to lending money under this act. I feel the credit unions are in a good position to ascertain the character of an applicant and to know a good deal about his chances for survival in this operation. The credit unions would have the same privileges and protection that the chartered banks have today.

There is one other aspect of this matter I should like to mention in passing and that is concerned with this whole question of appraisal. This question has been dealt with by quite a number during this debate, but a further reference to it would be in order at