

Loans Acts Amendments

Columbia, 4, and Credit Unions, 1. That is not a very good record.

We got a statement from the minister. He stated on November 21, 1973—and that is one of the last statements I saw—that the mortgage rate in the period under review, April 1, 1973 to September 30, 1973, was 6½ per cent. What is it now? 8¼ per cent.

Some members of this House, particularly those to my left, want the interest rate reduced to 6 per cent. No bank in the Dominion of Canada, or no near bank, would lend money at 6 per cent. You cannot get it at 8½ per cent now. That is what it was on April 1. Some members want to bring it down to 6 per cent. We certainly could not support any move with that as a basis of a motion. I am not the official spokesman, but it makes sense to forget about the socialists. They do not know what is going on around here anyway. All I can say about them is they are in control, without responsibility, and without principle. I think that is a fitting description of my socialist friends. I am not going to take much more time.

Some hon. Members: Go ahead.

Mr. Alexander: I think I have registered my concern. It was a legitimate concern. I did not try to be partisan or anything like that. We have an act, but without any moral suasion in terms of these banks how is it going to work? I wish somebody could answer my question. Why should a bank under the guaranteed provision in this bill lend money at 8½ per cent when it can lend money out at twice that amount?

Do we not have some responsibility here? I do not like to see government moving in and telling somebody what to do. That is the problem with this government, and we do not operate that way. However, there must be some way whereby moral suasion or persuasion can be used on a continual basis in order to have these institutions accept their community responsibilities.

● (2100)

My hon. friend from St. John's East (Mr. McGrath) refers to arm twisting. That's all right, too. I think the Minister of Finance does hold periodic meetings. Perhaps they are to no avail. They look to the minister, and he's got that charm and everything; he's a good looking boy, and they give him the old fast foot, and before you know it he's out, they're out, and the Canadian people are getting shafted again.

God knows, the small businessman is the backbone of this country. We must create a climate of positive direction in which funds can be made available to him so that he can further his business interests, so that in turn the government can get the taxes it requires to pay for services the Canadian people are not calling for.

An hon. Member: Like old age pensions?

Mr. Alexander: Only by helping to develop strong Canadian-owned business can we ensure innovation, new knowledge and technology which can be exported around the world. This is not a condemnation of foreign investment. Rather, it is a condemnation of the present govern-

[Mr. Alexander.]

ment for failing to develop policies to strengthen Canadian business.

We welcome the bill unquestionably. It is motherhood. When someone is given an opportunity to get more money we certainly cannot say it is wrong. But I wish I could send it down to defeat, because when there is no compulsion, no obligation on the part of the banks, the legislation, in my view, is nothing but a facade—it is just a wasted exercise.

[Translation]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I do not want to extend the debate unduly on Bill C-14, but I think it is my duty to rise as the spokesman of the people or organizations directly affected by this bill which actually amends three acts already in force.

I will deal first with the part of the bill amending the act applicable to farmers with regard to loans and the increased loans which may be granted and guaranteed by the Minister of Finance. This legislation, in the past, has certainly helped farmers particularly when interest rates were not usurious as they are today.

This reminds me of the time when I attended school and was taught catechism. We were told about the sin of avarice and that lending money at usurious rates was a capital sin. In my opinion, this is still true in 1974. It has become a vice and such high interest rates have become a genuine national sin. Everybody complains about it in the House and outside. And yet nobody takes the bull by the horns to correct this situation and checks those dreadful and skyrocketing interest rates which are directly responsible for inflation.

We are in a vicious circle and within a system which compels us to pay them whether we like it or not. That is why, last year, the farmers had to borrow \$20 million a month, as stated by the Minister of Finance (Mr. Turner) on the second reading of this bill.

Mr. Speaker, this means that the needs exist and that farmers resort to what they feel are the best credit sources for them, which ensures them a profit and survival.

But, Mr. Speaker, all this is not costing the government anything. It only guarantees the loans granted by the banks to the farmers. We should pay tribute to the farmers, because they have been very honest so far. In fact, losses have been so small that they are not worth mentioning. They amount only to one fifth of 1 per cent. It is a lesser risk than the normal risk people take in any sphere of our economy. The farmers know exactly what they are doing when they sign a commitment. They are aware of the responsibilities they are assuming. They are even ready to bleed themselves white to honour their commitments.

It is not enough to let them run into debt by allowing them to borrow. We must also let them hope that some day they will succeed in financing themselves, thus avoiding a very burdensome item in the field of expenses, that of interest. There is a reason for the high rate of interest. Just today I moved under Standing Order 43 a motion which seemed to please the entire House, but because of parliamentary procedure even when 263 are in favour of a motion, if one wakes up earlier than expected and says: "No" we cannot even tell who said it. The word "no" has