

Board has done a great deal to help farmers get loans, and for this reason he has been a great credit to the board.

I am glad to see that the lending power of the board is being extended. The old system that sometimes required a farmer to give a chattel mortgage was an abomination because it made him appear to be in financial trouble. The new basis under which the board has functioned has been satisfactory, and speaking for the farmers of Manitoba I want to say I am highly in favour of this legislation.

Hon. Austin C. Taylor (Westmorland): Honourable senators, it is not my purpose to delay the bill at all. There is not much I can add to what has already been said but I would like to make one or two observations and perhaps offer a few recommendations. I want to thank the honourable Leader of the Government (Hon. Mr. Aseltine) for the full explanation he gave of the bill and for the history of the board's operations. I also want to congratulate the honourable gentleman from Milford-Hants (Hon. Mr. Hawkins) upon his clear explanation of the situation in Nova Scotia. I can assure you that no member of this house knows more about farm loan activities than our honourable colleague. In his modesty he neglected to say that he was chairman of the Royal Commission on Rural Credit that was set up in Nova Scotia. That commission did an excellent job.

A question was asked by the honourable Leader of the Opposition (Hon. Mr. Macdonald) about branch offices of the board. I believe there is a branch office in each province, with a manager and staff. If memory serves me correctly, I believe local advisory committees are set up throughout the various areas of the provinces. I know that is the case in my own province.

Honourable senators, I am in full accord with the amendment before us but I regret that the Canadian Farm Loan Act is not being amended in one or two more places at this time. I feel that the act should be revised and brought up to date to meet the present-day needs of our farm population. In my opinion the act falls quite short of doing that. For instance, I believe that in 1956 the amount that any one farmer could borrow from the board was increased from \$5,000 to \$15,000. This applies to individuals, but a partnership of two or more cannot secure a loan above that amount; that is the maximum for an individual or for a partnership of two or more people. In many cases a farmer with one or two sons operates a farm and under the act they are not permitted to secure a larger loan than a man who is farming by himself.

Another matter that was raised by the honourable senator from Milford-Hants deserves attention. I should like to emphasize that under the present regulations the valuation placed on a property is based on the cultivated farm lands together with the buildings. In all the eastern provinces, particularly Nova Scotia and New Brunswick, one of the greatest assets to a farmer is his woodlot, whether it contains logs, pulpwood or hardwood, but no consideration has been given to that in the appraisal in relation to loans.

Honourable senators, I should like to make one or two recommendations, in view of the fact that in our province of New Brunswick we have what we call the Farm Settlement Act, similar to what in Nova Scotia is called the Land Settlement Act. The purpose of the board set up under the act is to purchase farms for prospective farmers, and in practice this applies to farmers' sons, although it may apply to any men up to 45 years of age. In my experience, and I spent some seventeen years in administering the Farm Settlement Act in New Brunswick, the great bulk of the applications were from farmers' sons, in cases where there were perhaps two, three or more sons on the farm, one of whom usually remained with the father while the others would be on their own. The board would be given permission to buy such a farm and re-sell it to the applicant over a term of years under an agreement of sale, the farm remaining the property of the board until the final payment was made. I was under the impression, and I think it was confirmed by the honourable Leader of the Government (Hon. Mr. Aseltine), that no authority was granted to the Canadian Farm Loan Board to buy a farm for an individual regardless of the length of his experience or how highly qualified he might be. The act applies to those men who are already farmers, or who own a farm for the purpose of securing more land, buildings or machinery, et cetera. It seems, therefore, that probably there is not a complete service provided, and that there is an overlapping as well.

I suggest to the Leader of the Government—and he can relay to the Government some of the things that I believe many of us feel should be done—that the Canadian Farm Loan Act be consolidated with the Farm Improvement Loans Act, and be incorporated together with the terms and conditions of operations of the provincial boards that are in existence. In other words, it seems to me that instead of there being two organizations lending money, one organization could do the lending, as was suggested by my honourable colleague from Milford-Hants.

I also suggest that the funds be raised by the federal Government, because in my