

*Farm Improvement Loans Act*

with this matter first. The minister should give us the details of this legislation. Even if the minister is not prepared to answer our questions, we still need legislation along this line.

If there is to be one interest rate applied to a loan for the purchase of land, another applied to a loan for the purchase of machinery, with a different depreciation rate, another rate in respect of a loan to purchase cattle, buildings, and so on, how does the minister reconcile his statement that the interest rate will be tied to the rate of government borrowing? Obviously there will not be any such tie. This is an attempt to convince the committee that the government is thinking along that line, but obviously the banks have not made any definite statement in this respect. Apparently the minister has not said to the banks: This is the government's thinking in this regard. The minister has not received the thinking of the banks; he is simply waiting for them to say what they intend to do.

If the minister is prepared at this time to answer the questions we have raised in respect of the legislation I will immediately resume my seat. I ask the minister whether he can tell us that he has said to the banks, "This is what I propose", and whether the banks accepted or rejected his proposals. He has nothing to offer with regard to the attitude of the banks to this measure.

The banks will benefit from this legislation, but what will be the situation as between one bank and another? I should not talk about caisses populaires because I do not know enough about them, but I do have some knowledge of the way credit unions operate. The minister should ignore any arrangement arrived at among the banks, if this is indeed the case, and should agree with the banks on an interest rate that will be most favourable to the farmer.

Although different types of lending institutions are to be included in this program, they should all be prepared to accept the rate set by the minister. I do not think that because different types of lending institutions are included in the bill there will be any reduction in the interest rate. If there has been an agreement between the banks and other lending institutions as to the interest rate to be charged, the minister can keep that in the bill for windowdressing and go across the country saying he has made it possible for farmers to obtain loans from all these institutions. He can holler hallelujah, if he likes, for having

done this. The point is that these institutions will not be helpful in reducing the interest rate the farmer will pay.

What interest rate has the minister proposed to the banks? What has been the reaction of the banks to his proposal? The minister has referred to a government guarantee in respect of these loans. Is that guarantee meaningful? Will the interest rate differ as between one bank and another, for example, as between the Royal Bank of Canada, the Canadian-Imperial Bank of Commerce and the Bank of Montreal? We do not have the answers to these questions. The minister is not prepared at this time to give us an idea of what he has in mind. Perhaps it is because he has no idea of what the interest rate should be.

If the government has any thinking in this regard, obviously the banks have not yet accepted it. Surely at this stage of the game the banks should be prepared to say yes to the minister's proposals and he should tell the house what those proposals are. If he did this, a great deal of time would be saved in our committee discussion. The minister should tell us, "We have made an agreement with the banks. This is it." What is the secret in this respect? We have to know sooner or later.

Must I as an opposition member rise in the house and ask the minister every day whether there has been a change in the rate or a fluctuation in a bond issue? If I have to do this, will it be helpful? Would this be conducive to the dispatch of business in the house? Surely it would not.

I believe it is my responsibility as an opposition member of this house to ask the minister these questions. Every time there is a bond issue, no matter in what part of the year it may be, it will have a bearing on the interest rate the banks will charge. I do not want to be put in the position where I have to pester the minister until he gives us this information. We will not be satisfied until the minister is prepared to tell us the formula arrived at in respect of interest rates. If we have to continually ask the minister questions on this matter, will it be in the interest of good business in the house and in the interest of the farming industry—because farmers will be continually asking for loans? This is not something that will last only one day or one year. It will continue and it will increase. It has been going on now for some 20 years.