

Farm Improvement Loans Act

Mr. Woolliams: Did the hon. member not suggest that something be substituted therefor?

Mr. Olson: The effect of it would be to remove the provision in the new act which would allow the banks to make loans guaranteed by the government for the purchase of small parcels of land. So we do not accept it.

The Deputy Chairman: Is the house ready for the question?

Amendment (Mr. Burton) negatived: Yeas, 4; nays, 82.

The Deputy Chairman: I declare the amendment lost.

Clause agreed to.

On clause 2.

Mr. Horner: Mr. Chairman, I would like to say a word or two on clause 2. There has been a lengthy and very informative discussion on clause 1, and perhaps what could be said on clause 2 has already been said.

• (8:20 p.m.)

I am a little concerned about some aspects of clause 2, particularly in regard to interest rates. The new Bank Act and interest rates are now subject to competitive conditions. In the last six months or so we have seen the effect of competition on interest rates and general borrowings.

The treasury branches in Alberta have played a tremendous part, Mr. Chairman, in this aspect of competitive banking during the last few years. It seemed to me on reading the resolution that preceded the bill that the general intent of the minister was to widen the scope of lending institutions. If that was so, then I can only say I am disappointed that he excluded from the bill the treasury branches in the province of Alberta that played a prominent part in the maintenance of competitive banking in that province. I notice the Minister of Agriculture applauding that statement, which could perhaps be interpreted as complimentary to the treasury branches of Alberta. However, he is a little late clapping his hands now.

I have never been a particularly strong advocate of the Social Credit party to which he belonged, Mr. Chairman, but I would be the first to say that I am not so blind as to recognize good points made by those who have disagreed with me in the past. One of the best things that the present premier of

[Mr. Olson.]

the province of Alberta, and his predecessor, did for that province was to exhort the treasury branches in Alberta to be competitive with the banks.

I was also terribly disappointed earlier today to hear the minister say that in recent months there has been no consultation with these treasury branches that played a great part in financing farmers in rural Alberta. I was all the more disappointed that this hon. gentleman, who had crossed the aisle—had stepped across an imaginary line, so to speak—had changed so quickly. He has cast aside his old ideals for the prestige of being Minister of Agriculture. He has cast aside all those things he cared about, such as the farmers with whom he campaigned in past elections in the province of Alberta. I feel sorry, Mr. Chairman, for those farmers.

All through this debate, Mr. Chairman, we on this side have attempted to peg down a formula for the setting of interest rates in years ahead. The reason we were so dedicated in our attempt to have a formula written into the bill was because we have seen this great transition on the part of a man who campaigned across the country on behalf of the farmers and said that a rate of 2 per cent was all that was required to lend money.

The loan sharks, the trust companies, are the ones who have adopted Social Credit policies, Mr. Chairman. They have fed this idea of debt free money. They have said that they would provide money at low interest rates so that the farmers can finance their operations. The members in the rump have questioned the intelligence of those of us in the opposition. Yet we have seen this minister cast aside his cares, his plea for low interest rates for the farmers, and say, in effect, that we should give the Minister of Finance or the Liberal government the right to set whatever rate they feel is justified.

The minister shakes his head. In the House of Commons the other evening the Minister of Finance happened to be present and I asked him what a charter to a bank means. I asked him whether it meant anything. The Minister of Finance quoted a former governor of the Bank of Canada; and I, Mr. Chairman, should like also to quote what a former governor of the Bank of Canada said with regard to whether or not a charter to a bank is not, in effect, putting a bank into position similar to that of a public utility. This is what Mr. Coyne had to say when questioned very closely in the finance, trade and economic affairs