

PRIORITY OF SMALL LOANS

"The amount of a loan under this Act is limited to not less than two hundred and fifty dollars and not over ten thousand dollars to individual borrowers. With the sanction of the Lieutenant-Governor in Council larger loans may be granted to associations. It is, however, provided that applications for loans of not more than two thousand dollars shall be given priority over larger loans. It appears to me, as no doubt it does to other members of this House, that the small borrower should receive first consideration. The collective production of the many small producers is the backbone of a country. We have arcas all over this Province suitable for small holdings.

"Provisions are made permitting borrowers to repay the entire loan, or a portion thereof, on any interest due-date they may wish. Another good point in the Act is that the Commission's financial year coincides with the calendar year, and not with the fiscal year, which ends on the 31st day of March. As the Legislature generally is convened in January, this House will in this way at each session be able to receive an up-to-date statement of the activities and financial position of the Commission.

PURPOSE OF LOANS

"What I consider to be the most important point of the Act, however, is its provisions setting forth the purposes for which loans may be made, and limiting them to such as will tend to increase agricultural production. I believe, Mr. Speaker, that it is a commendable feature that the purposes for which the Commission is authorized to grant loans are distinctly defined. Among such purposes I shall mention land clearing, draining, dyking, irrigation, the purpose of buying live and dead stock, acquiring land for agricultural use, discharging incumbrances on such lands, and for all lawful objects of co-operative associations incorporated under the Act, or public irrigation corporations under the Water Act. Here it should be noted that loans may be made to associations incorporated for the purpose of establishing public markets. Thus the consumer may receive benefit from the provisions of the Act as well as the producer. Further, it is a notable provision that every loan, in the opinion of the Commission, must be economically justified. The moral hazard of the loan, and the personal equation of the borrower will be carefully considered. Appraisers will be appointed by the Commission, not by the Government. The productive value of the land offered as security will be estimated absolutely apart from any speculative value it may be deemed to have.