

Farm Improvement Loans Act

Mr. Olson: I have just one other point. I cannot understand my friends in the official opposition opposing the wording of this provision, because in 1960 they did bring in the Small Businesses Loans Act, and they wrote into that bill at that time precisely the same wording that is here.

Mr. Skoreyko: That is a different thing.

Mr. Olson: If my hon. friend tells me the small businessmen in this country are not deserving of any consideration, then he is stating the opposite of what the opposition said.

Mr. Lundrigan: May I ask the minister a question?

Mr. Olson: You do not have the floor.

The Deputy Chairman: The minister has the floor.

Mr. Olson: When the opposition were introducing this concept into the Small Businesses Loans Act, they spoke about giving it the kind of flexibility that was needed. This is precisely what we are doing here, so I do not understand the objection to it now.

• (9:10 p.m.)

Mr. Lundrigan: Mr. Chairman, as a member who represents a fishing area on the east coast I do not profess to be an expert on farming operations. However, let me assure hon. members that we are interested in the affairs of the farmers in the western part of Canada. Surely the members representing western Canada will not agree to any legislation which precludes the establishment of an interest rate which is reasonable, and in accordance with the terms of this legislation.

My colleagues have said that unless the minister can come to some agreement respecting the rate of interest, or at least a formula for setting the maximum, this will not be acceptable to almost every member in this portion of the house. I endorse this feeling. In spite of my background and the location of my riding I am concerned about the farmers of western Canada. These people should be given some indication of the government's plan, and I think the minister should answer some of the questions asked.

Mr. Hales: Surely we cannot leave unexplained what the Minister of Agriculture has said about approved loan administration. Nor can we let go unquestioned, what he has said about the introduction of this farm improve-

ment loans program which was introduced by the Conservative government in the 1960's. At that time the rate was fixed at 6 per cent. What we now face is an entirely different situation. The banks can now make these loans without a ceiling on interest. Surely we will find ourselves in a difficult situation, with the bankers on the one hand raising the interest rates and the farmers on the other hand unable to pay.

Let me say to the parliamentary secretary that he should talk with the people from the rural parts of this country and ask their support in approval of what the Minister of Agriculture is now trying to accomplish. I am sure that he would be supplied with information that is contrary to the information he apparently has in his possession. If he met with any bank manager in the area of the country I represent I am sure he would be told that this floating interest rate will create great difficulties, not only for the farmers but for the management of these financial institutions which will qualify under the provisions of this bill.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, I should like to take exception to the minister's recollection of what happened between 1958 and 1960 under the government of the Conservative party. At that time the minister of agriculture advocated many things this government, supported by the Liberal party, opposed. The government of today is supporting many of the things that members of the Liberal opposition of that day rejected.

Mr. Burton: Mr. Chairman, I want to tell the parliamentary secretary to the Minister of Finance that I come from a combined rural and urban constituency. Let me assure him that we do not need the assurance from the government to indicate that things are different, or that the situation is otherwise than as the people of the city of Regina realize about the farm situation in this country. These people want to see a prosperous farm community.

It is certain that the majority of the people in my constituency will support a low level interest rate for farmers, namely the 5 per cent level. We now have this proposal before us which will allow by legislation a higher interest level. This will allow an interest rate higher than the farmers are at this present time paying. The new rate will be much higher than the farmers can pay at the present time, in view of the returns they obtain on their produce.