

know what the program is, other than it will not be a very large one. The committee's final sitting of the session will be on the 8th of August, by which time we shall have heard all the cases that are completed and ready to be heard. I shall be very glad to see the last of it.

Of course, I realize the truth of what my honourable friend from De la Durantaye (Hon. Mr. Pouliot) says, that the time we spend on divorce work might very well be spent on something more worth while. That is true. My colleagues all know that this is a job that is imposed upon the Senate, and so long as it is imposed upon us we will do it to the very best of our ability and with very little complaint. There is pleasure in the work, quite aside from the ribald and tawdry stories that we hear. A good spirit prevails among the members of that committee, a certain *esprit de corps*, and the satisfaction of knowing that we are doing this work to the best of our ability.

So it is not such a penalty to belong to this committee. There are compensations. I do hope however, that next session a few more members will be appointed to the committee, because this session we have been struggling to keep up our quorums. We need a little larger committee of active, working members, and I am sure that will be attended to at the next session.

I thank my honourable friend from De la Durantaye for the kindness of his attitude and for his favourable remarks about the members of my committee.

**Hon. Mr. Pouliot:** Honourable senators, in view of what has been said I will have to work hard to try to find another suggestion that will be acceptable.

Motion agreed to and bills read third time and passed, on division.

## CANADIAN FARM LOAN BILL

### SECOND READING

**Hon. W. M. Aseltine** moved the second reading of Bill C-38, to amend the Canadian Farm Loan Act.

He said: Honourable senators will recall that yesterday I gave the house a brief explanation of the amendment which this bill proposes to the Canadian Farm Loan Act. Perhaps I should now restate briefly the reasons for the amendment.

The Canadian Farm Loan Board as at present constituted has only one shareholder, namely, the Government of Canada. At the present time the capital stock of the board amounts to \$4 million. Under the act the board

has power to borrow from the Treasury 20 times the amount of its capital stock for the purpose of making loans to farmers in the various provinces. In other words, the board now has the right to borrow \$80 million and to lend the same amount.

Present commitments will exhaust practically all the money on hand not later than October 15 next. Therefore, this bill proposes to increase the board's capital stock to \$6 million. Under the act the board will then be able to borrow 20 times \$6 million, or \$120 million—not all new money, because it has already borrowed \$80 million, but it will have \$40 million more with which to make loans to farmers in the different provinces.

That briefly, covers the principle involved in this bill, but perhaps it might be interesting to honourable senators if I were to say a few words with regard to the whole matter of operations under the Act.

The Canadian Farm Loan Act was passed in 1927 as a result of reports made by Dr. H. M. Tory. Dr. Tory, it will be remembered, was the founder of the University of Alberta, and later he became the president of the National Research Council of Canada. He was very much interested in farm credits and made a detailed study of them. In the course of this undertaking he even travelled to countries in Europe, to Australia, to New Zealand, to South Africa, to the United States of America and to other countries.

In January 1929 the Canadian Farm Loan Board was set up, and it proceeded to make loans in provinces which also passed enabling legislation, namely, Manitoba, Alberta, British Columbia, Nova Scotia, New Brunswick and Quebec. The federal Government provided the capital and guaranteed the public borrowings of the board.

That set-up pertained until 1935, at which time the board was made an agency of the Crown, with the Government of Canada the only shareholder. After 1935 loans were made by the board to all the provinces, not only those that had obtained loans under the first Canadian Farm Loan Board set-up.

Prior to the passing of the Canadian Farm Loan Act mortgage interest rates in eastern Canada were quite high, 7 to 8 per cent; and in western Canada they were still higher, 8 to 10 per cent; and the terms of the loans which were made by the different loan companies were short, most of them being for five years only. That was one of the reasons why the Canadian Farm Loan Act was passed, to provide for longer-term loans and much lower rates of interest.

The board, honourable senators, has paid its own way. It charges reasonable rates of