

Farm Machinery

When a person obtains a loan from a finance company and asks what the interest rate is he is assured it is a nominal charge. When he asks how they arrive at the total figure that must be repaid he is told that it includes a service charge. In this instance we as legislators are resorting to what I call a foul practice. Let us be bold and put the interest rate in the legislation for all to see, so that all will see what they are entering upon in obtaining the loan.

From time to time pieces of legislation have come before this house and the other place which, while they may not have been passed and placed upon the statute books of the land, have received wide acclaim. These pieces of legislation have sought to provide that in any sales contract the interest rate should be clearly stated. Why do we as legislators have to resort to saying that a service charge of 1 per cent shall be added to the loan? I would much prefer the minister to say that the interest rate will be the same as that charged by the industrial development bank or under the Farm Improvement Loans Act. If he really has the interests of the farmers at heart he will do this, and I know he will because he has told us he wants to lower the cost of farm machinery. If I or some other member propose an amendment to set forth an interest rate of 5 per cent in the legislation, which is the rate under the Farm Improvement Loans Act, I know the minister will not reject it and place a further burden upon the small farmers of Canada.

I see it is six o'clock, Mr. Chairman.

The Deputy Chairman: Order. I must also advise the hon. member that his time has expired.

Mr. Horner (Acadia): I will just have to make another speech.

The Deputy Chairman: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows: the hon. member for Port Arthur (Mr. Fisher), social insurance, distribution of business card by Toronto insurance company; the hon. member for Grey-Bruce (Mr. Winkler), agriculture, turkeys, reimposition of quotas on imports from the United States.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Hamilton: Mr. Chairman, I do not intend to hold up the committee at any great [Mr. Horner (Acadia).]

length, but one of the things I think should be said at this time is that the viewpoint of the official opposition is that we will approve of anything that will help the farmer in the purchase of machinery and will keep his costs down.

At the very outset I must confess that I am no farmer, but I have learned one thing, that you can learn a lot by listening to farmers. For this reason I asked at the resolution stage if this matter might be put into a committee so that the viewpoint of farmers operating in the field could be brought to bear on the officials who could answer some of the technical questions.

Tonight I am going to repeat one of the proposals made this afternoon by the hon. member for Rosthern, as an example of the type of thing that intrigues me as a person who is interested in trying to provide policy that will meet the objectives in view. If I understand the hon. member for Rosthern correctly, he has posed the question as to why this new organization is attached to the Farm Credit Corporation, rather than using one of the vehicles already in operation.

At present we have two main credit agencies at the federal level. For long term mortgages we use the Farm Credit Corporation, and the primary purpose of it is to try and work with the farmers in planning together to give each individual farmer a unit of operation which is economically sound. If a farmer borrows money on this long term basis he hopes by so doing to build himself an economic unit that will make more money as a consequence of what he has borrowed. No one recognizes more than myself the tremendous contribution of new thinking on farm credit that the Farm Credit Corporation has offered to this country, and now we have a proposal that a new, supplementary agency be added to the corporation to handle these loans to groups of farmers.

The question that intrigues me is, why the Farm Credit Corporation? I am not an expert on these things but I would like the minister, who has the advice of experts, to answer that question. Why not the farm improvement loans operation? Let me recount some of the salient points.

First of all, the farm improvement loans operation is run and administered by the banks. They have demonstrated over a period of a good many years that they have been able to lend money, mostly on farm machinery, and for a loss rate so low that over 19 years all the federal taxpayer has had to pay is roughly one tenth of 1 per cent. This