

In my opinion, Mr. Chairman, if this clause is passed and the interest rate on farm loans is left to the whim of financiers or chartered banks, we will not be able to support it. We are sorry to see the difficulties facing our Canadian farmers and, at the same time, to see that the first legislation dealing with farmers is intended to abolish the present interest rate in such a way that it may double within two years. That is why it was impossible for us to swallow the whole without saying a word.

However, the hon. Minister of Agriculture tells us that if the 5 per cent maximum interest rate on farm loans is not raised, financial sources will be all the more restricted and the financiers will refuse to lend any money at all. Even though the income of Canadian farmers has been decreasing for several years, they have not stopped feeding the Canadian people. However, financiers refuse to put money at the disposal of Canadian agriculture. It is strange to realize that, during the farmers' march on the hill last year, as well as during the marches on Quebec and other provincial legislatures, the hon. Minister of Agriculture was able to say no to the farmers when they asked for new subsidies or for the increase of subsidies to the dairy industry, for example. We are able to say no to the Canadian farmers when it is a question of selling their products with a reasonable profit. But when it comes to financing agriculture or to say no to those who have provided farmers or other professional groups, with money, we have not yet learned to do so.

It is unfortunate to note that our governments, whatever they may be are on hands and knees before the farmers on the eve of an election to beg for votes, but the following day or 3 or 4 months later, they already have both hands in the farmers' pockets to take their money away and repay financiers for their contributions to the election fund during the last six months. It is distasteful for me today to have to blame our Minister of Agriculture.

● (4:40 p.m.)

In my opinion, the present minister of Agriculture has more knowledge than any other of his predecessors, in the fields of both agriculture and financial administration. We find it hard to believe that today he should be forced to introduce a bill to abolish the 5 per cent interest rate, when he knows of other solutions. I shall be pleased to suggest a few solutions in a moment or two.

Farm Improvement Loans Act

Why increase the interest rate for our farmers? Are past and present lenders bankrupt or short on profits? Before increasing the revenue of those who lend to farmers, we should really establish who makes profits and who does not.

When we see the relevant figures, we realize that past or present lenders are not those who had to suffer from a reduction of their interest rate. On the contrary, it is the farmers' margin of profits which decreases constantly, whereas that of finance companies and banks keeps rising. But instead of being discouraged, the finance companies and the banks are encouraged, while farmers are not.

If we consider the effects of a loan for example of \$25,000, at an interest rate of 5 per cent for 30 years, it represents a total interest cost of \$15,315. On the other hand, if we examine Bill No. C-111, where the future rate of interest for farming investments is not indicated, we can easily assume that the rate of interest will before long be set at least at 9 per cent on \$25,000 for a 30 year period, which means a total of \$27,565.50 for the interest alone. Therefore, the surplus of interest which farmers will have to pay on a farming investment of \$25,000 in six months or a year, according to the loan which they will have been granted, will be exactly \$12,250.50, as compared with what they previously paid on a farming loan of \$25,000 for a 25 year period.

Now, Mr. Chairman, that is \$12,250 more in interest only on his investments. According to the newspaper *La Terre de chez nous* for the month of June, a farmer, with agricultural investments of \$25,000 a year, does not net a profit of more than \$450 a year; that is the return on his work and his investments. He makes a salary of \$450 on investments of \$25,000; and now we are on the point of asking him \$600 to \$700 more in interest each year.

Mr. Chairman, that is why we cannot support this bill, because we have our say in the matter of interest rates. When the rate of interest is being discussed in this house, we are discussing something which falls within our responsibility.

At this point, I wish to refer to three official documents of the House of Commons, in support of my argument.

First, in the famous B.N.A. Act of 1867, which is considered to be the charter of the Canadian Constitution, in connection with the distribution of powers between the federal