

The purpose of this bill is simply to raise the capital stock from \$4 million to \$6 million. The effect of that will be to increase the borrowing power and the relending power of the board from \$80 million to \$120 million. That is what this bill does; it does not do any more than that.

On the resolution stage in the house, I indicated the intentions of the government with reference to a review of this measure and other measures associated with agricultural credit in Canada. I said at page 2297 of Hansard:

As all hon. members know, the government is keenly aware of the importance of agricultural credit and finance for the prosperity of our farming community. There are on the statute books three important acts which deal with the capital needs of farmers, namely the Canadian Farm Loan Act; the Farm Improvement Loans Act which deals with intermediate credit, particularly for financing the purchase of farm equipment; and the Veterans' Land Act administered by my colleague the Minister of Veterans Affairs. At the present time the government is engaged in a comprehensive study and review of all three acts with a view to determining where enlargement of scope, expansion in function or improvement in the methods of operation may be required.

That study is continuing and will continue for some time. But for the present session, to meet the needs of the situation, we are asking for this measure to permit the amount available to the board for relending on farm mortgages to be increased by \$40 million to meet immediate needs.

I also indicated on July 16 in the house that where there are criticisms—and no one can be a Minister of Finance very long, or indeed, a member of the house very long without being conscious of criticism in respect of farm credit—it has been my experience that a good deal of the criticism is in respect of the period up to 1956. The house, following a review in the Banking and Commerce Committee in 1956 wrote some rather important amendments into the act which greatly enlarged the lending functions of the Canadian Farm Loan Board.

I think it is not unfair to claim that there has been much less dissatisfaction since that time than there was before. I think I can say as well that there has been in the past several years, particularly since the 1956 amendments, rather a change in attitude and atmosphere in relation to the functions of the board.

In your deliberations on this bill, Mr. Chairman, while the clause of the bill with which you are dealing is actually a very short one, this hearing will afford whatever opportunity hon. members may wish to review the operations of the Canadian Farm Loan Board. Mr. Chester, the commissioner, is here in connection with the hearings. Any information that is sought in relation to the operations of the board will be available to you. It is hoped that there will be every wish on the part of all hon. members to review as fully as time may permit all aspects of the administration and operation of the Canadian Farm Loan Board.

Mr. Chester will be submitting to you a brief of which he has copies which will assist the hon. members in following the statement which he will make by way of a review, and also statistical information.

I hope, Mr. Chairman, for my own part, while I may not be able to be here with you all the time—I have to leave about 10 o'clock for a cabinet meeting—if there is anything I can do to help the committee while these hearings are continuing I shall be only too happy to be here and do anything I can to facilitate the hearings of the committee in the review of this legislation and the operations of the board.

The CHAIRMAN: Thank you, Mr. Minister.