

*Farm Credit Act*

strengthens and time goes by I can readily understand that land values will increase; but the doubling of these loans in one fell swoop I feel is an encouragement to people who have land to sell it. This is particularly the case if a farmer wants to retire; the tendency is to take full advantage of this increase and inflate the value of the land. If we had been more modest in increasing these loans I think it would have been more beneficial.

With regard to the comments of the hon. member for Port Arthur (Mr. Fisher), I think that more consideration should be given to benefiting the smaller farmers, those with not too much collateral who would like to come under the act.

Young men who have grown up on the farm, are fully conversant with farming and would like to go into the business of farming find that this act does not provide them with too many benefits. Here is an area to which we in the house who are interested in agriculture, the members of the committee on agriculture and the minister himself should give consideration, so far as the application of the act is concerned.

There is another thing I am concerned about which was mentioned by the hon. member for St. Hyacinthe-Bagot (Mr. Ricard). I refer to interest rates. The minister did not spell out what the interest rate would be when he introduced the bill, but he said there would be an increase in the interest rate on loans between \$20,000 and \$27,500. He suggested that the increase would be related to the increase in administrative costs which he said would be close to 1 per cent, and that there might be a further slight increase to cover the reserve and so on. To my mind this indicates an increase up to 7 per cent.

I cannot understand how the government can introduce legislation like this which would make flesh of one and fowl of another, and I think this is what will happen. In fact, I believe this is contrary to the laws of economics. My experience in money matters leads me to say that if you buy in volume you usually receive a discount rather than an increase in the cost. Actually the farmer is purchasing something here when he takes a loan. He is purchasing credit. I think the minister has his philosophy in reverse. Another thing I have been concerned about has to do with the remarks the minister made on May 7 last when we were studying the estimates of the Department of Agriculture in committee of supply. As found on page 3025 of *Hansard* the minister said:

[Mr. Southam.]

We have tried, and I know the former government did also, to cut down the time it takes to service a loan so far as the farmers are concerned. After all, they are of No. 1 importance.

I could not agree more with that statement.

My instructions to Mr. Owen, the manager of the corporation, have always been that we want to cut down this time. Last year we were able to cut it down substantially. This year the members of the corporation are charged with the responsibility of cutting it down further—ten days—regardless of what lawyers are handling the loans.

The minister went on to say:

If the lawyers do not service them immediately and they have not got a real good excuse, then they are to be replaced. Everyone who has been appointed as a lawyer handling Farm Credit Corporation loans has been instructed to do the work quickly.

And so on. I think this is purely window dressing, Mr. Speaker, because I have here question No. 451 asked by the hon. member for Provencher (Mr. Jorgenson) under date of March 16, and the answer thereto tabled in the house on April 29, 1964. The answer gives the number of legal advisers of the Farm Credit Corporation. In looking over the figures I see that there has been a decrease of approximately 40 per cent in the number of legal advisers under the Farm Credit Corporation. In fact in the province of Saskatchewan the number was reduced from about 30 to 17.

I cannot understand how the minister's philosophy operates. It is rather like hitching a team of horses to a wagon with 125 bags of wheat and expecting them to pull the load, which they could not, and then unhitching one horse and expecting the other horse to pull the load anyway. It does not make sense. The applications made by farmers have to go to the legal advisers for processing. The hon. member for Mackenzie (Mr. Korchinski) pointed out this afternoon that the demand for loans has been rising gradually from a level of about 5,000 to approximately 8,000 last year. If this is the case, it stands to reason that we should be increasing the number of legal advisers or else the farmers are going to have to wait a long time to have their applications for loans processed. The fees are not too high for handling these applications, and I have found from experience that some lawyers have a tendency to leave these applications on the bottom of their work pile and to process other work that is more lucrative.

There is another problem that arises also. When you reduce the number of legal advisers it means that the farmer has to drive