

Farm Credit Act

than any other. There are two objections to the change with which I would like to deal. First, instead of the rate being written into the act we see that the government intends to ask the house to change the regulations so that the interest rate would be set by governor in council. Personally I object to this change, and there are several reasons for my objections.

My first objection is to the fact that once again it is proposed that the regulating powers of this house be taken away from the members and handed over to the cabinet. I think this increasing trend toward government by order in council is not good, whether it is in the House of Commons, in the provincial legislature or wherever it may take place. There is far too much government by order in council, so that the elected representatives of the people do not have a voice in the decisions that are made. Handing this power over to the cabinet, no matter how good their intentions may be, is a step in the wrong direction.

The second reason for my objection, and one which I think will affect farmers most of all, is that we are going to see an increase in the interest rate which will be charged for loans under this act. It seems to me that in the old act the rate was set at 5 per cent. Farmers knew what they would have to pay when they went to the corporation for a loan. Today the minister is suggesting that we hand over to the cabinet the right to set the rate of interest on loans granted under this piece of legislation.

Mr. Olson: I wonder if the hon. member would allow me to suggest that he deal with this matter when we get to clause 5 where the interest rate is embodied. It is not included in clause 1.

Mr. Harding: Mr. Chairman, I have only a minute or two left and I might as well complete the point I am making right now, rather than bring it up later on. I want to point out that as a new member I have been impressed by the number of members from all sides of the house who have taken part in the debate and who have told us of the trouble in which farmers all over the country find themselves. There have been references to the corn growers in Ontario and the grain farmers on the prairies, for whom this is one of the very bad years.

Here we are debating the interest rate, and the minister has assured us that in his opinion it will come down. I have one or two

suggestions which I would like to make to him. I think the interest rate should be kept at 5 per cent, that it should be written into the act, and that we should subsidize the difference, if necessary. Perhaps we should put a ceiling on the amount of loan to be subsidized. This can be done.

The suggestion was made the other day that it would not be possible to put a ceiling on the amount of loan to be subsidized, because of the difficulties we would have with banks. However, in this case we are dealing with a crown corporation, so that subsidization can take place very easily. I want to point out to the minister the case of a farmer desperately in need of money. He borrows money at 7 or 8 per cent, and six months hence the interest rate could drop. This farmer, however, will be stuck for many years with a high interest loan which will amount to many thousands of dollars. Hon. members must be aware of the trouble in the field of housing under the N.H.A. where the interest rates went sky high and thus a terrific cost was inflicted on people trying to build homes, and borrow money at these exceptionally high rates.

Again I appeal to the minister and to the members of this house that we take another look at this matter. We can afford to subsidize loans for one year under this act. This will not break the government. Already there are many fields where money is being wasted. This money could, instead, be applied to give the farmers in a bad year at least an opportunity to get loans at 5 per cent interest rate, and even that in my opinion is too high.

Mr. Burton: Mr. Chairman, I would like to come back to a point raised earlier by me, and on which the minister commented with respect to the term "farming corporation" as qualifying under the definition of "farmer". I want to make it quite clear that I do not question the minister's word or the government's intention with respect to the extension of the term "farmer" to mean also a farming corporation, but it seems to me we as legislators have the responsibility of providing some protection in the legislation to prevent so far as possible the possible future subversion of the intent of this legislation, which could result in harm to the industry which we are trying to help.

In paragraph (e) of subclause 1 of clause 1 the term "farmer" includes three different categories: First, an individual whose principal occupation is farming, second, a farming