

## Farm Credit Act

**Mr. Hamilton:** Mr. Chairman, that last sentence is all I wanted, because if the Minister of Agriculture will fight for this I know the people in the back benches will support him.

**Mr. Herridge:** Mr. Chairman, would the hon. member for Qu'Appelle permit a question, as he has completed his remarks? The hon. member mentioned what a fight the backbenchers in his party put up to see that there was a flat 5 per cent interest rate on farm credit loans; and that is quite correct. But would he not admit at the same time that the seven N.D.P. members in the house at that time put up an equally vigorous fight for the same principle?

**An hon. Member:** In caucus?

**Mr. Herridge:** In the house.

**Mr. Hamilton:** This is very true, Mr. Chairman, and this is why I cannot understand why the N.D.P. have sat so quietly during this debate and let these interest rates go up. As I read *Hansard*, there was not one member of that party who raised any question with regard to these interest rates.

**Mr. Winch:** You were not here when the other members spoke.

**Mr. Hamilton:** No, but I did read *Hansard*.

**Mr. Herridge:** Mr. Chairman, our concern was very similar to that of the hon. member for Qu'Appelle, but not wishing to take the time of the house we did not think it necessary to repeat his arguments. We endorse them.

**Mr. Cardiff:** Mr. Chairman, I should like to ask the Minister of Agriculture how many generations these lawyers were removed from the land before they received their education, because I think the bill could have been drafted in much more simple language to the advantage of this committee and all concerned. The bill may be understandable to a great many people, but why was it not drafted in simple language so that the ordinary farmer would know exactly what he was signing before he signed an application for a loan? There are many farmers who will be so anxious to obtain money that they will sign this document before they realize what they are doing, and because they may not understand the language in which it is drafted. The minister has explained it this afternoon. Why was it not explained in the bill before it was given to us?

**Mr. Hays:** I can assure the hon. member that before we send out the changes we will make them very plain so that everything will be thoroughly understood. There has been no change in the Department of Justice in the last two years, so the same people drafted this bill as drafted the previous one.

**Mr. Cardiff:** In other words, you hire a group of lawyers to draft the bill and then put it out in language people can understand. Why don't you do that in the first place?

**Mr. Simpson:** Mr. Chairman, I have a question for the minister in relation to clause 4. However, at the outset I should like to inform him that I firmly believe it would be very desirable and much more acceptable if the government would arrive at a stabilized rate of interest with regard to loans in excess of \$20,000 under part II and \$27,500 under part III, instead of using the sliding scale of interest which they have put into these amendments. Last night the minister said, as I understood him, that in relation to loans in excess of \$20,000 under part II and \$27,500 under part III there would be an added amount to cover what it cost the government to borrow that money, plus the cost of operation of the corporation, plus an amount of, I believe he said no more than one quarter of 1 per cent in relation to bad debts. I am wondering what assurance the minister can give the house that this will not exceed one quarter of 1 per cent. I see nothing in the amendments as listed in Bill No. C-100 in regard to this and I am very interested in knowing just how the minister can assure the house that this will not exceed one quarter of 1 per cent.

Speaking on the desirability of maintaining a stabilized interest rate instead of having a sliding scale, I am thinking of the case which occurs quite frequently when a smaller farmer applies for a loan of possibly between \$20,000 and \$25,000; then when the consultants go out to look over the farm and make an assessment they sometimes, and in fact quite often, find that to make it an economic unit it is desirable for the applicant to request a larger loan. In such a case the man would be told, if he applied for \$25,000 to make his unit economic, that he should ask for \$30,000. However, on the first \$20,000 he is going to be paying 5 per cent, but in regard to the larger amount recommended by the corporation the interest rate will go up quite excessively. I am thinking that we might find a farmer may not wish to pay these interest rates, and he will be put in quite a predicament as to