Edward Island from something like 6,000 to 2,500. If this is done, I predict that the 2,500 farmers who are left will be working harder, producing more food for less benefit, living a more unsatisfactory type of life, and going more deeply into debt than do the present 6,000 farmers. In addition to that, the ecology of the agricultural land in Prince Edward Island will be considerably more damaged than it is at present. I believe that the solution will not be found in expanding the size of the farms.

The benefits which may accrue from the economics of scale have, in most cases, been reached at the stage where reasonable mechanization could take place. To go on far beyond that stage, such as to 150 horse power tractors which cost many thousands of dollars, is, in my judgment harmful, unless the intention is to destroy the family farm entirely. If that is the intention, I think the situation is grave. Let us not forget that this country was built in the last century and in the pioneering era on what were family farms. It is the family farms which have contributed more than their share toward building this country, raising families who have contributed more than their share to the professions, to the sciences, to education, to religion and to many other endeavours in this country than have their city brothers.

As the hon. member for Selkirk said, surely we must not encourage too greatly the migration of rural people to urban areas, at least until such time as we can design and bring into being an urban area that is liveable for everybody in it, where everybody can have a job, and where everybody can aspire to a reasonable quality of life. That is not the situation at present. However, I have hopes that lessons will be learnt in time to prevent unfortunate trends from continuing unduly.

I should like to quote again from Mr. Geiger as follows:

> Evidence from all parts of the developing world suggests that small farmers will adopt technological improvements in response to price and income incentives under conditions that do not threaten certain other values and objectives important to them. As the "green revolution" is showing, small farmers at or close to minimum subsistence income levels will endeavour to increase production and productivity in response to satisfactory prices (a) if the necessary innovations in agricultural inputs and cultivation techniques are available and within their means; (b) if such changes do not significantly increase the customary risks that affect the probability that they can continue to raise at least the minimum output essential for maintaining their families; and (c) if a sufficient percentage of the increased income thereby generated will accrue to their benefit and not to that of landlords, moneylenders, merchants and tax collectors.

• (1610)

I think that is the key to the whole thing, Mr. Speaker. At the present time farmers are encouraged to borrow up to $100,000; at current interest rates of, say 8½ per cent, that would cost $8,500 per year. If a farmer had $100,000 in hard cash, I doubt if he would invest it in more machinery and land. Under present conditions he would be more likely to continue farming on a small scale and buy $100,000 worth of securities—perhaps even federal government bonds—and live happily ever after.

I am reminded of a story about three people who held winning tickets on the Irish sweepstake. The first was a taxi driver and when asked what he would do with his $125,000, he said that he was going to pay off his mortgage and send his children to college. The next winner was a widow who said that she was going to pay off all her debts and then buy a nice home for herself and her children. The third winner was a farmer and when asked what he was going to do with this $125,000 he said "I guess I will just keep on farming until it is all gone".

Some hon. Members: Hear, hear!

Mr. MacLean: Mr. Speaker, my remarks may have sounded pessimistic and I have reason to be pessimistic. However, I am also optimistic in that I think the rising generation will have a better standard of values than we. The young people in our universities are already indicating a greater appreciation of enduring values and I think in their hands a suitable solution will be found. If I may quote again from Mr. Green's article in the *Reader's Digest*, it reads:

> The concern of youth. The new generation, with its growing interest in conservation and the simple life, may ultimately play the greatest role of all in determining what is to happen to farming. And if our youth should decide that the production of our food is much too important an industry to surrender to millionaires and cartel farming, and that the green acres still left in this country are too precious to entrust to a sort of landed gentry, all the professional predictions about the inevitability of our farms growing continually bigger and fewer won't mean a thing.

Thank you, Mr. Speaker.

Mr. E. F. Whelan (Essex): Mr. Speaker, I do not intend to speak very long in this debate, but as one who has had some personal experience with farm credit and Farm Credit Corporation, and who has listened to a lot of farmers tell how they think it should operate, I must say that I think the Farm Credit Corporation and farm credit in Canada has come a long way. However, when one compares what has been done in this country with what has been done by countries in direct competition with us, to aid their farmers, it is evident that our Farm Credit Corporation has a long way to go yet.

Some years ago, a suggestion was made that farmers whose application for a loan had not been allowed should be able to proceed to an appeal board if they felt they had been dealt with unfairly. These appeal boards were fairly good but did not go as far as many members of parliament and farmers thought they should in aiding those whose applications had been turned down by the Farm Credit Corporation.

It is my contention that the Farm Credit Corporation did not follow the intent of the original legislation which was to lend money to those farmers who could not get it any place else—those farmers whom nobody else would trust. A study of the loss ratio over the years shows that the Farm Credit Corporation took very little risk. In the last three or four years the loss ratio has been practically nil. A comparison with farm loan associations in other countries shows that we have a long way to go to meet what they have done to aid their farmers. I am thinking specifically of the U.S.A., with whose farmers ours compete, and where the standard of living is comparable to ours.

I have visited farm loan associations in the U.S.A. to learn how they operate, and I have suggested that the same thing should be done here. There was one example of a young couple who wanted to buy a farm but they did