

A few years ago, when the Farm Credit Act was passed and men were needed to look after the inspection and appraisal of farms, we were very proud that men from the Department of Veterans Affairs were chosen. The Department of Veterans Affairs, in the administration of the Veterans' Land Act, had built up a group of trained appraisers who were very efficient. I wish to give credit to Brigadier Thomas Rutherford, who was responsible for looking after these matters under the Veterans' Land Act and who was loaned from that department to the Department of Agriculture and the Department of Finance when the Farm Credit Act was put on a par, more or less, with the Veterans' Land Act. I should say that one reason why the percentage for loans was 5 per cent was that the veterans were given that rate on account of being veterans, and when the Farm Credit Act became operative the 5 per cent rate was allowed to farmers borrowing under the Farm Improvement Act and the Farm Credit Act.

Honourable senators, this is a good act. The Farm Improvement Loans Act, like the Farm Credit Act, became operative under the 5 per cent provision. It has been of great assistance to the farmers in Canada.

Hon. David J. Walker: I wish to congratulate the honourable Leader of the Government in the Senate on the manner in which he outlined this bill.

Looking at the original act, chapter 110 of the Revised Statutes of Canada, it is pleasant to note that the Government of Canada is not putting up a cent, unlike the case of housing. As the honourable Leader said in reply to a question, all of the money is put up by the bank at 5 per cent, which is most unusual. I am sure the banks would like to have 6 per cent or more. The fact that all this money has been loaned at 5 per cent by the bank and is costing the Government of Canada less than one-tenth of 1 per cent of the total of the loans, is a remarkable feat.

It is quite obvious, for the reasons given by the farmer senators here and by those from farming constituencies, that there can be no question about the need to increase the loans to meet the needs of large-scale farming production. The increase is recommended also by the Porter Commission Report. In view of the excellent manner in which the Farm Improvement Loans Act has worked out and the fact that the farmers are getting loans at 5 per cent, at a cost to the bank, and at no cost to Canada other than the minute amount of the loss, as a layman I cannot but feel that we should be very pleased indeed to take part in supporting this bill.

Hon. Hartland de M. Molson: Honourable senators, I do not intend to say a few words

on this bill because of my farming experience—which I must admit is limited—but there are some comments which I feel might be made.

In the first place, this is one of those bills with which we have had to deal in Parliament over the years, designed to improve or continue some reasonable standard of living for that proportion of our population who live on farms. That proportion has been dropping steadily for many years, and it is a matter of regret that this must be so. It is bound to occur in a change from an agricultural to an industrial economy. We all know that the real backbone of this country has always been provided by those who live on the land, who have held the land dear to themselves and their families. That this is a measure designed to help them is a point in its favour.

Many measures have come up here dealing with farm problems, problems connected with the storage of grain, the moving of feed grains, rehabilitation, and now farm improvements. All these measures are thoroughly justified and are good, although in spite of them that proportion of the population must decline.

The comments already made about the results of these loans have scarcely been adequate to point out the really astonishing results which have been achieved over the years in which those loans have been in force. We have been given the figures for some years. I have seen the cumulative figures since the program began. I have not got them here, but they are much more impressive than the figures for any one year. If the results to date show a loss of one-tenth of 1 per cent, I do not think there is any area of the economy which can show any performance as favourable. It is astounding, and that in itself is justification for increasing the provisions in the legislation.

Regarding the comment made by my honourable friend Senator O'Leary (Carleton) about the small farmer, he has been partly answered already. As a matter of fact, if he takes the figures for 1963, he will see that there were 77,000-odd loans, and that the total amount was \$135 million, making the average loan less than \$2,000.

Hon. Mr. Connolly (Ottawa West): \$1,757.

Hon. Mr. Molson: Therefore, this is scarcely catering only to that section of the farm population which has large income and large capital.

There is one other point which I think should be made in regard to Quebec. I am not very well informed on this agricultural subject—any better than some of the others