

In the brown soil zone of Saskatchewan the average size of 20 medium-size grain farms is 688 acres. The capital investment is \$31,600—I would say that that is a low figure—and the net income is \$2,750. Of 20 large-size farms the average size is 1,054 acres, the capital investment \$52,400, and the net income \$4,680.

The average size of 20 medium-size grain-cattle farms is 270 acres—that is a small farm—the capitalization is \$43,250, and the net income \$2,280.

Then we go to dairy farms in British Columbia. Of 92 farms in the Fraser Valley the average size is 84 acres, the capital investment is \$52,980 and the net income \$4,675. The smallest farms have the highest capitalization.

The average size of 84 beef farms in Ontario is 228 acres, the capitalization is \$33,940, and the net income is \$3,020.

I must say that I am very much in favour of this bill. I think it is long overdue. The Leader of the Government rightly commented that the main reason for extending additional credit is a recognition of the increase in the technical side of farming, but there are, of course, other reasons. Farm people are moving off the farms in large numbers; the only way they can stay today is by mechanizing because they cannot afford to pay the present-day wage rates. Taking farm wage rates in 1935-1939 to equal 100, by 1961 they had risen to 588.5, and by 1964 they have increased to 688.6. That is the picture so far as wages on the western farms are concerned, and the same holds true for the whole of Canada. However, it seems that you cannot hold the quality of help you need on the farm at any wages. The only way a farmer can stay in business is to mechanize.

Taking the consumer price index as 100 in 1949—and this embraces all items consumed by farmers as well as other people—by 1961 it was 129.2, and it went up to 136.2 in July of 1964.

The price index is given of numbers of commodities used by farmers, and taking all items in 1935-1939 to equal 100, then in 1961 it was 259.0 and in 1964 it is 282.4. Here again is a reason why, on the one hand, farmers need more credit in order to be able to stay on the farm and, on the other, why they need cheap credit to handle the cost of operations for which they receive this rather modest return.

This legislation is based on another sound principle in that it uses existing financial machinery, the chartered banks, instead of providing that the Government set up special means of distributing the money. I think it is timely and important legislation, and it provides the only means by which efficient

farmers are going to be able to survive. This legislation will give them the kind of credit they need and in the necessary amounts to meet today's technological changes.

Hon. A. J. Brooks: Honourable senators, I wish to say just a few words because of the comparison that has been made of the different farming sections of Canada. The fundamental reason why there is not as much borrowing in Quebec, New Brunswick and parts of Nova Scotia as there is in the western provinces is the great difference in farming in the east and in the west. In western Canada there are the large wheat farms which need huge combines and heavy machinery costing such tremendous amounts of money, while in my own section of my province the farmers are, in the main, dairy farmers who do not need such expensive machinery. We have mixed farming as well which does not require heavy machinery.

I would like to point out also that on many of the farms in New Brunswick and Nova Scotia much pulpwood is grown on the back lots. This is a large source of income for those farmers, and it does not require heavy machinery. If a farmer has a saw and a truck he has the means of making a good income out of this product.

Prince Edward Island was mentioned along with New Brunswick and Nova Scotia, but the Island produces, in the main, one crop, namely, potatoes, the production of which requires more machinery than does a mixed farm.

I am not saying that we do not require more loans in New Brunswick. I am quite sure that some of the farmers there could do very well with more and larger loans, but the farms are not large. In the Maritime provinces we have not arrived at the point of combining smaller farms into very large farms, as is happening in other parts of Canada and the United States. However, that is coming. Farmers are moving off their farms, and the day is approaching when no matter where they farm they are going to need large acreages with more machinery. I thought I should mention these facts in order to explain possibly why there is such a difference in farming operations in the Maritime provinces as compared with other parts of Canada.

It is very pleasing to all of us to learn that on these loans there is practically no loss—it is only one-tenth of 1 per cent. It is no news to me, as when I was connected with the Department of Veterans Affairs I had a lot to do with the Veterans' Land Act, in which case, as in this, there has never been any loss—except a small fraction of 1 per cent. It is amazing, when one thinks of the millions of dollars borrowed, that the loss is only a fraction of 1 per cent.