

Province	Loans for New Implements			
	1958	1960	1962	1963
	\$	\$	\$	\$
British Columbia	1,525,000	1,600,000	2,148,000	2,200,000
Alberta	17,538,000	19,388,000	26,190,000	26,800,000
Saskatchewan	17,583,000	24,936,000	26,670,000	34,900,000
Manitoba	7,175,000	9,101,000	11,935,000	12,700,000
Ontario	11,281,000	11,613,000	14,159,000	16,000,000
Quebec	13,925,000	10,495,000	3,770,000	3,900,000
New Brunswick	736,000	802,000	606,000	900,000
Nova Scotia	826,000	682,000	769,000	600,000
Prince Edward Island	1,142,000	1,269,000	934,000	1,000,000
Newfoundland	52,000	51,000	28,000	38,000

When you look at those figures it would appear that there is quite a decisive line to be drawn between Ontario and Quebec. From Ontario west apparently the farmers are able and willing, for some reason or other, to buy new machinery and are doing so, but from Quebec east the conditions are not getting better. To my mind this is the area where these loans should be functioning rather than in the west because, as Senator Horner said, the farmers who have the money there and who have credit do not need them. I remember the case of one farmer who, because he was living in the city, was not regarded as a bona fide farmer. He went to the bank to borrow under this scheme and was told: "No, we cannot lend you money under this legislation, but we will make you a personal loan." At that time he wanted \$5,000 for machinery, and he got that amount without any question although, of course, he had to pay the regular rate of interest of 6 per cent.

There may be a nigger in the woodpile in the down payment that these borrowers have to make. When the amount that a farmer is entitled to get is boosted from \$7,500 to \$15,000 he would have to make a down payment equivalent to at least 25 per cent of the amount borrowed. In some cases 33 per cent of the amount has to be put up in the form of either security or cash, and the borrower has to hand over the agreement for purchase of the new machinery to the bank that makes the loan. It may be that people in Quebec and the east cannot raise enough money. If the total amount of the loan is raised to \$15,000 then one-third is \$5,000. How many of the small farmers in the east are going to be able to raise \$5,000 to get themselves going? It is my opinion that something has to be done by way of working out arrangements whereby these farmers would be enabled to borrow money and thus get on their feet.

I know that the bank managers check the credit rating of each applicant for a loan.

They make sure that he is a good risk. Even under this act a farmer cannot get a loan unless he is a good risk. Any Tom, Dick or Harry cannot walk into a bank and get money under this legislation. An applicant must be a member of the community in good standing, and a man who honours his debts and has sufficient money and quantity of land in order to be able to carry on and pay back the money borrowed.

Those are the two criticisms I have, but apart from them I am absolutely in favour of this measure. I know that the cost of machinery has gone up, and loans up to \$15,000 are necessary. The price of a combine has gone up to \$8,000, \$10,000 and \$12,000, and the farmer in the west has to have such machines. The price of tractors is up to \$7,500 and more. A maximum of \$15,000 is not out of line at all so far as present-day purchasing is concerned.

I have nothing further to say except that I am in favour of this bill; I hope it receives second reading and, if necessary, goes to committee.

Hon. Donald Cameron: Honourable senators, I am taking part in this debate because of the remarks made by my friend, Senator O'Leary (Carleton), with respect to those prosperous western farmers. It is true that many of them are quite prosperous, but I would point out that there are some interesting figures which demonstrate that that prosperity is not excessive.

I am looking at the bulletin issued by the Canadian Federation of Agriculture for September 1964. On page 7 are shown the results of a number of representative farm surveys in Canada. The number of farms is given, and also the size of the farms in acres, the capital investment and the net farm income. I will pick out just a few of these at random, and I think they will throw a little light on this particular piece of legislation and the position with respect to the farming industry, particularly in the west.