Small farmers, of necessity, have a very high propensity to incur burdensome debt. Bill C-121 may well provide them with the opportunity. More important, the problems of increasing farm income, improving marketing, occupational readjustment, and the fundamental issue of rising farm costs, require a carefully considered and integrated plan of action by the Government. In this light, Bill C-121 reflects one sticking his fingers into the hole in the dam, when there is no hope for assistance and when other holes may burst through at any moment. The problems facing Canadian farmers are finely interwoven and require a concentrated and integrated attack, not piecemeal measures.

Let us come more specifically to the provisions in the bill. The major shortcomings of the extension of credit to farm machinery syndicates have been noted in the House of Commons. However, it is important to carefully screen the bill to see who can really be helped by it.

First of all, to attain maximum benefits from expensive equipment a farmer must have a farm large enough to provide increased production at lower cost. In many cases it is doubtful that either his cost saving or production would be improved if his farm were extremely small. If, however, we conceded that some individuals in this category would be helped—and I think this would be a small percentage—to what extent will this assist farmers in general? According to the 1961 census for Canada as a whole, 44 per cent of all farms are larger than 240 acres; another 42 per cent are between 70 and 240 acres; the remaining 14 per cent are quite small.

Thus, for the very small farmer I would expect that very few of this 14 per cent could really derive extensive benefits from syndicate purchases of expensive machinery. In fact, our low-income farmers might find the increased debt burden intolerable.

The larger-scale operator has enough demand for his equipment that it would be difficult for him to consider joint usage for most equipment. In addition, the large-scale operator will be better able to finance expensive equipment on his own, and indeed will probably prefer to do this. However, this is the category of individuals who seem best suited to derive benefits from the legislation. They could efficiently make use of extra equipment because of their scale of operations, they would gain greater returns—hence their ratio of debt to return would be lower—and, finally, they would be able to carry the debt load much easier than small farmers.

Yet the legislation is envisaged as being of assistance to the small farmer.

Another important factor is that the average-size farm in western Canada is 582 acres, while in eastern Canada it is only 153 acres. If our assumption that the larger farmer would best be able to take advantage of the legislation is correct, then it would appear that the western farmer is the individual who can best gain from the legislation.

While it is necessary that we do not bear too much regional bias, it does seem strange that legislation designed to assist in bringing some solution to those farmers who are handicapped by the high cost of machinery, bears most weight in other than the distressed areas. Of the total farms in Canada in 1961, 76 per cent were in the category of commercial crop and livestock farms, having an annual potential output of $1,200 or more. In the east, however, they made up only 45 per cent of farms, while in the west they represented 80 per cent. This indicates that a high proportion of farms in the east are of the marginal-subsistence type or small units. Remarks made in the House of Commons on the bill also indicate the rate at which net farm income is rising in the east—certainly not a rate which would indicate that progress is being made to solve the problems confronting the low-income farmer in Canada.

Also, the demand for machinery falls into specific categories. Most farms already have the basic equipment. New machinery in the west could handle large-scale operations, but in the east the very nature of farming and the types of additional equipment required would be restricted to a few items. It might be fairly difficult to find adjacent farmers with similar demands.

Figures for 1961 show that there were 480,000 farms with 358,000 automobiles, 550,000 tractors, 300,000 trucks, and 156,000 combines. It is a safe assumption that there is at least one vehicle, truck or automobile, and generally both, per farm, and an average of more than one tractor. Hence demand for more equipment must be in specialized areas.

If the Government is genuinely interested in assisting the farmer in machinery purchases, its attention would be much better directed towards attempting to curb the high cost of machinery and equipment to farmers all across the country, rather than aiming at piecemeal measures which provide limited assistance to certain areas and categories of farmers who are not in the most acute need of that assistance.

For those small farmers who are bold enough to venture into these syndicates, it may provide more headaches than benefits. Credit is a marvelous institution, but it must be exercised with care and within the bounds of common sense. Those limited few who will accept such responsibilities and who