

when what we needed was a policy that would develop those vast open spaces. You cannot put a settler on the land to-day and tell him that he has got to stay there. Unless he can make a fair return on his labour he is not going to stay on the land, and the result is that our cities are to-day overcrowded, and instead of our manufacturers building up a home market we find they have come to the point where they are now standing still and are waiting for more immigrants to come in to fill up the open spaces and build up a home market for them. Under those conditions I think the policy of this country should be directed right in line with the policy brought down by the Acting Minister of Finance last year. I believe that was a truly national policy, providing, as it did, for the development of our four basic industries—agriculture, mining, lumbering and fishing. I feel confident, Mr. Speaker, that if we develop those industries and make them prosperous, we shall not need to worry about our manufactures. If our agriculturists on the great plains in the west, and in fact throughout Canada, had the purchasing power to supply their needs to-day, I tell you, Mr. Speaker, our manufacturers, even working night and day, could not supply their needs. Yet we find our politicians scrapping away over the same old policy that we have tried out for fifty years and found wanting. There is no business concern in this or any other country which after having tried out the policy for half the time we have tried it out in this country, and with no better success than we have had, but would scrap it,—and scrap the men who were following such a policy if they did not make up their minds to change it. The United States have come to recognize that while their industries are important after all no one part of the country can prosper alone but all must move together. President Coolidge speaking at Chicago some time ago is reported as follows:

Real and permanent prosperity for the United States depends on putting agriculture on its feet, President Coolidge declared in a message to the farmer-manufacturing convention which opened here to-day.

"It is perfectly apparent to all of us that we shall not have real and permanent prosperity for the whole country, nor for the greater part of it, so long as any large and vitally important section of its productive industry is unable to prosper," Mr. Coolidge said in part.

"The plight of the farmers in recent years has been and will continue to be a menace to the prosperity of every other element in the community until we find means of relieving agriculture."

I would like to take this opportunity of bringing home to the Acting Minister of Finance the fact that we are looking very anxiously to him to bring down this session

[Mr Lucas.]

legislation upon the question of rural credits. I am pleased to see that Dr. Tory has brought in his final report, and I sincerely trust that the government will hasten to bring down legislation bringing his recommendations into effect. The financing of the farmer must be approached from no ordinary angle. What would be the position of all the successful manufacturing plants, factories and corporations of eastern Canada, if they had to pay eight or ten per cent for money, and if the capital in their business was subject to call every three or four years? They could not function, of course; they do not do business that way. Their capital is raised by the sale of long term stocks, bonds or debentures in the open markets, in the ordinary way that modern, scientific investment machinery demands. What we are asking for is that the business of agriculture be placed in the same position, that the farmer be allowed to mobilize his security and go into the markets on an equal basis with all other corporations. It can be successfully shown that the security based on agriculture is second to none.

A survey of the national wealth of Canada as of 1921 put the capital invested in farms and live stock at \$6,587,000,000. In 1923 the total agricultural output amounted to over \$1,300,000,000. Over fifty per cent of Canada's population is rural and makes its living off the land. That the prosperity of the farmer is the basis for national prosperity is well known. The western farmer is the mainstay and backbone of eastern Canadian industry. Assuming that these statements are true, and they cannot be disputed, we find an industry with assets worth nearly \$700,000,000, and an annual turnover of \$1,500,000,000, with no modern method of handling their credit problems. The farmer is handicapped in having to function under a financial system that does not meet his requirements, is not only inadequate, but actually harmful economically, socially and politically.

The future of Canada does not depend upon the cities, and in saying that I am not disparaging our cities. It depends upon the farmer. Business is good when farmers have money to buy; but, going deeper, history has proven again and again that the strength of any nation lies in the number and prosperity of its small freehold farmers. It may not be generally known that Canada is the only important agricultural country in the world to-day that has not adopted a sound system for properly financing the business of agriculture. On the other hand, the western farmer must sell his products in the markets of the world in competition with countries