

living, but it was hard work. When I mentioned this bill, she said that if it had been in force in 1950 it would have been of wonderful assistance to her as she and others could have bought machinery for farm work.

I am in full accord with the bill; I believe it will be of tremendous value to those who live in provinces where farms are small.

Hon. Frank C. Welch: Honourable senators, having been a fruit-growing farmer, I should like to say a few words on this bill. In addition to fruit growing, I was at one time in the business of selling heavy machinery. This bill has many good points, but there are some opportunities for abuse. I would be surprised to read in a year's time that the provisions have not been abused.

There used to be a method by which one could get machinery without mortgaging his farm. All a respectable farmer had to do was get a loan from the bank, which the Government would guarantee to the bank, and he was able to get his machinery, take it home and use it. He could use it on his farm whenever he wished and did not have to wait for his neighbour to finish with it, nor did he have to wait for his neighbour to renew the loan. Those with farming experience know that group ownership does not work—you must own your own machinery in order to take full advantage of the weather.

However, I would rather see in this bill something in the way of a floor on farm produce. This would be doing the farmer a real justice.

Bill C-121 embodies a very important principle, namely, that the problems facing Canadian agriculture, and indeed the problems facing Canadian farmers, must receive more attention and more diligent efforts from legislators in an attempt to solve them. However, it is unfortunate that while the principle of the bill is pointed in the right direction, the provisions themselves will be a weak charge fired only in the general direction of the problems.

It may be true that some farmers, in some areas, will be assisted to some degree, but this is a far cry from what is needed to solve the "farm problem." Since it does provide to farmers some measure of assistance, no matter how small, it should on that basis alone be worthy of support. As the sayings go—"A half a loaf is better than none at all" or "My neighbour's good fortune is mine."

The real problem facing agriculture is its adjustment to keep pace within the process of economic change. Whether we like it or not, the continued growth of the nation and the nation's economy will bring about change. It has wrought change in the past, and it shall continue to do so in the future. Any nation which is moving ahead in the process

of economic development, particularly as it becomes more and more industrialized, must face the economic fact of life that its occupational structure will change. It means that more and more opportunities are provided in manufacturing and service industries, and consequently those individuals in agriculture and other primary occupations who are operating on a marginal basis are drawn away from the farms into other areas which to them are more lucrative. We have seen this happen here in Canada. The 1961 census reported 480,903 farms in Canada; this was a decrease of 142,188 farms from the total recorded in 1951, a drop of nearly a quarter in a decade. Since there is only a minor decrease in total acreage under cultivation, it is evident that part of the decline was due to the merging of small farms into larger ones, part to the abandonment of marginal farms, and part succumbing to urban sprawl. If the nation continues to progress, that process will continue.

The real problem occurs because fewer farmers are forced to provide increased production—a role which in the past they demonstrated could be performed more than admirably. As a consequence, however, increased productivity has made agriculture a more efficient and a larger-scale enterprise. Thus today we are faced with the very serious problem of those individuals who are still forced to maintain farms on marginal land or who farm on a small scale, being forced to compete against the large-scale operation. While it may seem very callous to say that slowly over time this trend of decline in the agricultural labour force and in farm owners will continue, it is a problem which we must face and attempt to make this often painful adjustment more palatable. This will not be done by providing more debt for the small farmer and chaining him to the unrewarding task of paying interest for most of his future. This should not be inferred to mean that small farmers cannot operate efficiently and be competitive, but rather that those individuals who are restricted by their type of holdings, or methods or quality of land, face insurmountable odds.

Debt affects output adversely when it is so heavy that the farmer is virtually working for the moneylender. Indeed there are many countries where the farmers are so heavily in debt that they cannot afford to make the annual interest payment and repayment of principal as they become due. Farmers' incentives in such situations are sadly depressed. If in time the farmer manages to repay his debts, in all likelihood it will be time for him to replace worn or outdated equipment, and hence he must once again sell his soul and carry the burden of debt.