amount of $521,524, which works out at 2·3057 per cent of a dividend, much less than the dividends paid by some corporations which are over-capitalized by 300 per cent. It is to noted that one per cent of the actual capital tied up in these farms is equivalent to 45 per cent of the annual wages of the owner and his family. No. hon. member will suggest that the farmer is over paid.

This all means that the rate of interest paid by the farmers is very important. Since this survey was made in 1920 some people may think farming conditions very different to-day, and as a matter of fact they are very different, notwithstanding the fact that during 1919 and 1920 Canadian products were selling at much higher prices. I would refer hon. members to the Labour Gazette of March, 1930, at page 350.

I am inclined to believe that the guarantees offered by the farmers are first-class in character. The loans are made on 50 per cent of the value of the land and 20 per cent of the value of the buildings, which means that when the buildings are valued at the same price as the land the percentage is reduced to 35 per cent of the whole estate. I do not think this is quite fair to the farmer, and the law should be changed in order that loans can be made on 50 per cent to 55 per cent of the whole estate.

It might be said that a reduction of one per cent in the rate of interest would not amount to anything. I have prepared five different tables which show the growth of a small investment made at the end of each year over a period of 33 years.

The value of an investment of one dollar made at the end of the year, bearing interest at four per cent, compounded annually during the period of thirty-three years is equivalent to $66.21. The following statement shows the surplus paid by a borrower during a period of thirty-three years, when a 6½ per cent rate has been paid instead of a 5 per cent rate:

On a loan of $1,000.—$10 yearly, equivalent to $662.10 after 33 years.
On a loan of $2,000.—$20 yearly, equivalent to $1,324.19 after 33 years.
On a loan of $3,000.—$30 yearly, equivalent to $1,986.29 after 33 years.
On a loan of $4,000.—$40 yearly, equivalent to $2,648.38 after 33 years.
On a loan of $5,000.—$50 yearly, equivalent to $3,310.48 after 33 years.
On a loan of $6,000.—$60 yearly, equivalent to $3,972.59 after 33 years.
On a loan of $7,000.—$70 yearly, equivalent to $4,634.67 after 33 years.
On a loan of $8,000.—$80 yearly, equivalent to $5,296.76 after 33 years.
On a loan of $9,000.—$90 yearly, equivalent to $5,958.86 after 33 years.
On a loan of $10,000.—$100 yearly, equivalent to $6,620.95 after 33 years.

[Mr. Benoit.]

If the request made to reduce by one per cent the rate of interest actually exacted by the Canadian Farm Loan Board from farmer borrowers was met, the difference between the now prevailing rate of 6½ per cent and the proposed rate of 5½ per cent on a $10,000 loan, compounding the interest at 4 per cent during a period of thirty-three years, would be the capitalized amount of $6,620.95, the actual present value at 4 per cent being $1,814.75.

The value of an investment of one dollar made at the end of the year bearing interest at 5 per cent compounded annually during a period of 33 years, is equivalent to $80.64. The following statment shows the surplus paid by a borrower during a period of 33 years, when a 6½ per cent rate has been paid instead of 5 per cent:

On a loan of $1,000.—$10 yearly, is equivalent to $800.64 after 33 years.
On a loan of $2,000.—$20 yearly, is equivalent to $1,601.28 after 33 years.
On a loan of $3,000.—$30 yearly, is equivalent to $2,401.91 after 33 years.
On a loan of $4,000.—$40 yearly, is equivalent to $3,202.55 after 33 years.
On a loan of $5,000.—$50 yearly, is equivalent to $4,003.19 after 33 years.
On a loan of $6,000.—$60 yearly, is equivalent to $4,803.83 after 33 years.
On a loan of $7,000.—$70 yearly, is equivalent to $5,604.46 after 33 years.
On a loan of $8,000.—$80 yearly, is equivalent to $6,405.10 after 33 years.
On a loan of $9,000.—$90 yearly, is equivalent to $7,205.10 after 33 years.
On a loan of $10,000.—$100 yearly, is equivalent to $8,006.38 after 33 years.

The above statement shows the difference in a loan made by the Canadian Farm Loan Board to a farmer in Quebec and one made to a farmer in Ontario borrowing from the agricultural development board. The saving of the Ontario farmer during a period of 33 years, placed at 5 per cent compound interest on a $10,000 loan, would represent a capital of $8,006.38, the actual present value being $1,600.17 at 5 per cent.

The value of an investment of one dollar made at the end of the year bearing interest at 3 per cent compounded annually during a period of 33 years, is equivalent to $55.08. The following statement shows the surplus paid by a borrower during a period of 33 years when a 6½ per cent rate has been paid instead of 5 per cent.

On a loan of $1,000.—$10 a year, is equivalent to $550.78 after 33 years.
On a loan of $2,000.—$20 a year, is equivalent to $1,101.56 after 33 years.
On a loan of $3,000.—$30 a year, is equivalent to $1,652.34 after 33 years.
On a loan of $4,000.—$40 a year, is equivalent to $2,203.12 after 33 years.
On a loan of $5,000.—$50 a year, is equivalent to $2,753.90 after 33 years.