

Farm Indebtedness

owned, partly rented group, a total of 37½ million acres. From this figure of 37½ million acres it is necessary first to deduct approximately over 7,000,000 acres held under grazing leases in the western provinces which cannot be mortgaged directly, leaving 30,000,000 acres for which estimates of indebtedness must be made.

Farm tenants, by definition, have no land, and usually their collateral and assets are so limited that borrowings are seldom large, but it is necessary to take into consideration that there are few outright cash sales of land, and the usual arrangement for a deferred payment whereby the owner retains title until a certain percentage, say half of the full amount, has been paid. The unpaid portion of the sale price is often treated as a private mortgage. It is known also that the mortgage indebtedness of farms in early years of ownership is high, and it is therefore assumed that it is high on tenant farms where the renter is working towards ownership.

On the basis of the foregoing it is estimated that the average indebtedness of rented land is one-third as high as that on owned land, since, therefore, the owned land has an average indebtedness of \$5.343 an acre then the per acre indebtedness on 30,443,061 acres is \$1.782 or \$54,250,000, which added to the census figures of \$671,776,600 makes a total of \$726,026,500.

I mention that because it is the method by which the bureau arrived at the sum total of indebtedness on farm lands in Canada. Indicating as I have that 77 per cent of the information is derived from exact answers to questions contained in the census questionnaire, and that the other 23 per cent represents estimates arrived at by deducting the grazing land as not coming within the classification of farm lands for that purpose, and then using for the partly owned and partly tenanted lands the same basis as the 77 per cent figures give, you have a total of 30,443,061 acres with an indebtedness of \$54,250,000 making as I say the total of \$726,000,000. That is the method by which this conclusion is arrived at. I desire the hon. member who has just spoken (Mr. Pouliot) and the other members of this committee to realize that with respect to the 23 per cent it is an estimate and not derived from answers to questions contained in the census questionnaire.

It may be of interest to the committee, since the hon. gentleman has intimated that the committee might like to have this knowledge, and I can give it to them as readily now as at any other time, that the mortgage indebtedness per farm on the fully owned farms amounts to \$965, and the per acre indebtedness to \$5.28. Considering only the

[Mr. Bennett.]

fully owned farms which have mortgage debts, that is 208,460 farms containing 44,702,898 acres, the mortgage indebtedness per farm is \$2,715 and per acre \$12.66. The mortgage indebtedness per farm on the owned portion of the partly owned, partly rented farms is \$3,075. The higher figure per farm is due to greater acreage in these farms—530.3 compared with 182.8 in the case of owned farms.

I should like to say here something which possibly has escaped some of us, that is that the mortgage indebtedness in this country is moderate. The \$726,000,000 that I have mentioned as farm indebtedness in this country is a much lower figure than was expected. The farms free from mortgages are more numerous than I think most of us had any idea, but there is a point which the hon. member for West Edmonton (Mr. Stewart) has just raised, as to the number of farms that are owned by those who have taken appropriate proceedings, by foreclosure or otherwise, to secure title, which are now in the possession of tenants; that is, insurance companies, loan companies and mortgage companies have taken possession of properties upon which they have foreclosed the mortgages, and therefore the properties, so far as the census return goes, stand as properties free from mortgages. That, of course, is a factor to be considered but, so far as the information of the bureau goes, it is not as large a factor as some people thought.

I have some figures which perhaps the committee would like to hear. At the end of March, 1931, there were 7,130,000 acres under grazing leases in the four western provinces. Without giving the odd numbers there were 101,400 acres in Manitoba, 3,355,440 in Saskatchewan, 3,208,300 in Alberta and 463,000 in British Columbia. This acreage has increased, and so far as our information goes at the end of March of last year it totalled almost 8,000,000 acres.

The highest mortgage farm debt in the country, of course, is in the province of Ontario; it is not only the highest absolutely but, by the usual tests applied, it is relatively the highest as well. Absolutely Prince Edward Island is lowest; relatively Nova Scotia and New Brunswick are lowest.

I do not know whether it would be the wish of the committee that I should give the information as to the acreage of owned lands in Canada, but as it has been suggested that it might be useful I will take time to do so.