

*The Address—Mr. Mullally*

provinces. Clearly, Mr. Speaker, these statistics give undisputable indication of the sickly state of agriculture in the maritime provinces, a condition which is a blight on the national agriculture picture.

If agriculture is to survive in the maritime provinces, and indeed in much of eastern Canada, we need action and we need it immediately. We require measures that are bold, imaginative and daring. Farming is one of the most noble and rewarding vocations in which man can engage. The family farm is, I believe, the ideal economic unit and the most suitable place for family living. The place of the family farm and farming generally in relation to the nation is well expressed in the words of a former president to the United States, Franklin D. Roosevelt, when he said:

If there is one lesson taught by history it is that the permanent greatness of any state must ultimately depend more upon the character of its country population than upon anything else. No growth of cities, no growth of wealth, can make up for the loss in character of the farming population. It is upon the welfare of the rural population, material and moral, that the welfare of the nation ultimately rests. It is not just common place to say that the farm is the backbone of the nation. It is an economic and basic fact.

But, Mr. Speaker, unless positive steps are taken soon we will have neither the family farm nor the farm family. The government cannot do it all. Farmers themselves and farm organizations must work hand in hand with the government and its agencies. Our farmers must be impressed with the realization that the farm, besides being the ideal place to live and rear a family, is also an economic unit, a business, and as such needs the adoption of sound business practices if success is to be achieved.

In so far as the government is concerned, however, there are five areas in which I should like to see action as soon as possible and to which I urge the government to give immediate and sympathetic consideration. The first of these is the improvement of farm credit. In this connection, I might make two observations: First, I should like to suggest consideration be given to the advisability of providing adequate staff in the offices of the Farm Credit Corporation to assist and advise farmers on their credit problems and to assist them generally with other business aspects of their farm operations. I suggest also that special credit terms be provided for farmers who wish to change their farm operation from production which is unsuitable to an operation involving new crops or new farm activities which are more productive, or which can be more economical.

[Mr. Mullally.]

Second, I should like to see the establishment of national marketing boards in co-operation with the provinces and farm organizations. Third, there should be some method of relieving the present high cost of farm machinery. Fourth, I suggest that the ARDA program be greatly accelerated and expanded, especially in its agricultural aspect. Finally, I urge the establishment of the school milk program in co-operation with the provinces. I do not suggest, Mr. Speaker, that this is all that should be done, but I feel those are the essential first steps which could produce desirable results.

In so far as fisheries are concerned, I should like to compliment the Minister of Fisheries (Mr. Robichaud) upon his initiative in calling the first national fisheries conference and for the outstanding success it achieved under this leadership. We look forward to greater achievements flowing from this conference as part of the development of a national fisheries policy. I also wish the minister and his colleagues every success in their negotiations on the 12-mile territorial fishing limit, the establishment of which will mean so much to fishermen on the Atlantic coast.

I wish to refer briefly, Mr. Speaker, to the matter of federal-provincial fiscal relations, especially as they affect the province of Prince Edward Island. I believe, however, what I have to say could be applied equally to the other Atlantic provinces as well. At the federal-provincial conference last fall, a formula was adopted which resulted in an increase in the amount of the annual per capita grant as follows: Prince Edward Island, an increase of \$5.55; Newfoundland, an increase of \$6.66; New Brunswick, an increase of \$8.95. This formula resulted in increased annual national per capita direct payments on the following levels: Newfoundland, \$95.34; Prince Edward Island, \$90.25; New Brunswick, \$75.31; Nova Scotia, \$72.69. I cannot criticize the formula which was adopted because we all realize the difficulties involved in trying to apportion a certain amount of money amongst ten provinces, all of whom have very urgent and legitimate requirements for it.

However, I believe our province has a special claim for a more generous contribution. I should like to cite a number of reasons why I believe this is so. In the first place, Prince Edward Island has the lowest average income of all the provinces as was recently revealed in a dominion bureau of statistics report. The average income, in 1961, and this includes earnings, old age pensions, family allowances, transfer payments and other payments, for the province of Prince Edward