

Farm Machinery

the value of the supervision—he contends that this makes it worth while for the farmer to pay the extra 1 per cent. After listening to all the reasons he has given I believe that is, essentially, the argument in favour of asking farmers to work with this new organization.

Mr. Hays: Yes.

Mr. Horner (Acadia): Before this clause carries I should like to say a few more words. Before dinner I expressed some concern with regard to the interest rate, with regard to the definition of the word “farmer” and with regard to the effect of a contingent liability upon a farmer’s credit rating. Farmers, particularly small farmers, are and will be concerned about this clause.

I would like to say a few more words with regard to this piece of legislation before we get into the clause by clause discussion. This bill deals with farm machinery, and we must consider what will be included in this definition. I notice that the Department of National Revenue in certain rulings uses the general application in this regard—you might call it a rule of thumb—of determining whether any implement or machine a farmer uses has moving parts and—

The Chairman: I would ask the hon. member whether he is now on clause 1 or clause 2.

Mr. Horner (Acadia): I am dealing with clause 1 and the title of the bill, an act which may be cited as the Farm Machinery Syndicates Credit Act. If one is somewhat hesitant about using the word “syndicate”, he might call it the farm machinery credit act. I think generally most small farmers particularly will view with some scepticism the word “syndicate” in this title, so I will in my remarks refer to it briefly as the farm machinery credit act. Enlarging upon that title in clause 1, Mr. Chairman, I would like to deal with the question of farm machinery and what types of machines it is envisaged will qualify for loans under the bill.

I was saying that the Department of National Revenue use as a rule of thumb this method of determining whether it is a farm machine; they say that an implement or a machine that has no moving parts is not a farm machine. This is the way in which the Department of National Revenue defines farm machinery. I wonder whether this is the definition that will be applied under clause 1, wherein it is said, “This act may be cited as the Farm Machinery Syndicates Credit Act”, or the farm machinery credit

act as I would prefer to call it. Do the provisions of this bill apply only to machines with moving parts that are used on farms? One might say that all farm machines have moving parts, but this is not necessarily so.

This has been a subject of continuing interest to me. If one stopped and thought about farm machines, he could list any number of machines used on farms that really have no moving parts. Let us consider a silo. The minister has said this bill will apply to a feeding plant, as I call it; in other words, a co-operative set-up amongst a group of farmers to feed out, to finish, a bunch of feeder steers. This would include, particularly in eastern Canada, a silo, perhaps a silo filling machine, perhaps a silo unloading machine—if that is the right term for the automatic silo feeders. But the silo itself is what I am concerned with. The silo itself has no moving parts. In a feeding plant such as I envisage, which might well qualify under this bill, a silo would represent the biggest cost. The filling machinery would be costly; the automatic feeding machinery from the silo would be costly; but the steel, glass-lined silo might be the most costly item in that plant. Would that qualify under this bill? No moving parts are permanently attached to such a silo. These are some of the fears that occur to me in connection with this legislation.

One could project that thinking further. What does “farm machinery” mean? Would it include milking parlours? With regard to milking parlours, the stalls are taxable; there is a duty of 22½ per cent on their entry into Canada because they have no moving parts. Would they qualify under this legislation? One could list a whole host of farm machines and farm implements in this connection. Let us go back to the feeding plant. I mentioned the silo and the automatic unloading equipment attached to a silo. Let us suppose we are setting up a feeding plant for hog feeding and that we are doing it by means of self feeders. A system of self feeders has no moving parts attached to it. The grain moves and the hogs eat it; they get fat, and they move—but the self feeders themselves have no moving attachments on them. They are subject to 22½ per cent duty on entering Canada under the rule of thumb the Department of National Revenue applies with regard to the definition of “farm machinery”. I ask the minister and his officials, would they qualify under this legislation, this farm machinery credit act? One could go further