

implements by going into debt to the extent of \$15,000, with a cash payment of \$3,000 or \$4,000 and paying interest at the rate of only 5 per cent on the balance. This would mean a saving of something like 2 per cent when compared with the present proposal. That farmer gives a promissory note to repay the loan in three or four years. He makes his own deal with his banker. This method may be a little slower way of obtaining his implements, but it is more satisfactory to the farmer because there is no loss of independence and it is a sounder scheme.

Under this bill the farmer normally will have to engage a lawyer to draw up an agreement in writing with his partners, and he will have to sign a joint note binding himself to repay the full amount of the loan should anything happen to his partners. Anyone who has backed a note as guarantor knows what usually happens. The well-to-do man or the most reliable usually gets stuck for the payment of the note. It is human nature to get the money from those who show most responsibility for their covenants, and it is human nature for the weaker to rely on the stronger. In the homesteading days many farmers who guaranteed their neighbours' notes were stuck for them.

It has been reported in the other place by the Minister of Agriculture that the syndicate must establish the equity of each partner in the equipment purchased, so that if one of the partners dies or moves away his equity can be sold to a new member. This is all very well if a new member can be found, but suppose there are no new members to be had in that particular district. In that case the remaining two—if there were three in the original syndicate—would have to assume the balance owing, and this could work a hardship upon them. It might happen that the partner who was strongest financially might die, leaving the weaker ones to carry the debt. Under such circumstances—and I am sure they will arise continually—this debt might easily ruin the small family farm.

One of the members of the syndicate could suffer serious financial loss due to hail, fire, frost or drought, and thus be unable to meet his obligation in that year. What happens then? In a partnership such as this bill anticipates each farmer is fully responsible for the full debt.

My conclusion is that this bill, on the face of it, may help and will help in some cases, but I foresee many anguished and disturbed communities. Farming is a hazardous industry, and many unforeseen problems can happen to a partnership formed under this or any other legislation before the partners finally pay off their loans. Provision should have been made for extending the repayment

of these loans in the event of the difficulties which I have already enumerated, such as the death of one of the partners or a partner leaving the district.

There is not a great deal of interest in this bill among the farmers out west. They have read about it in the papers and seem to be conversant with its provisions, but they cannot see much value in it. The criterion of the more recent legislation brought forward by the previous Government was to assist the farmer by making more credit more easily available. This legislation seems to throw in road blocks. One solution that comes to my mind, which might have been worked on in place of this present bill, would be to arrange for various agencies in the farming areas which could do custom work and have sufficient implements ready and available at all times.

Having been in the farm land business for many years, I have personal knowledge of many unforeseen difficulties that do occur in purchases of machinery or lands, due to many causes, and I am sure honourable senators are aware of these. For that reason, I do not think that the present bill is as well thought out as it should have been. However, I am going along with it because it may help in some cases such as that of a father and his sons, or three or four brothers operating separate farm units.

The great problem, however, which has never been touched as yet is that of the cost-price squeeze—the high cost of farm machinery as compared with the comparatively low price of farm products and the lack of good markets. There is need for a comprehensive study of these matters before legislation is brought forward. This bill is a mere flea bite in the solution of the total problem of the farm industry in Canada.

Hon. F. Elsie Inman: Honourable senators, I should like to say a few words on this bill as it affects my own province. As you know, Prince Edward Island is a small province. The farms are small, between 100 and 150 acres. If two or three farmers can join to purchase farm machinery and farm 500 acres between them, this would be of wonderful assistance.

Recently, when travelling by train, I was speaking with a woman who was left a widow with six children while in her early forties. She has a 100-acre farm, and farmed it herself with the help of a few neighbours to plow and plant. She had a \$1,000 mortgage on her farm, and has paid it off. She gave her six children a college education at Prince of Wales College, and they became teachers, nurses, and so on. She told me that anyone who wished to do so could make a good