

*Farm Machinery*

required to choose the right supplements to complement the farmer's grains are not learned overnight.

So what will happen? Either a drop in quality that goes with a drop in price, or some one member will take over as manager of the group and learn the business. If the latter is the case, then this new co-operative group is in direct competition with the local feed mill. It will now have many of the same overhead costs of a business organization and it will have fewer farmers to spread the cost across. A duplication of services often dilutes the efficiency of both.

If, as we suspect is the case, the problem is one where the minister feels the costs of custom grinding and mixing are too high, (which are usually billed below cost) then is this not the area for the assistance? Politically it is advisable to help the farmers, but in this case is it practical?

Feed is a costly and complex input item of a farm operation. However the cost is offset by its value. The efficiency of modern feeds can be seen from the price of eggs that has not increased in proportion to costs. Feed efficiency can only be fully derived when it is correctly formulated, correctly mixed, fresh and used for the purpose indicated.

We maintain that feed costs are not too high. A feed, or a cost in producing a feed may be too high. If this is the case, then it is better to pinpoint the area of concern and work to its correction, than it is to foster further purchases by the farmer into a field where the competition already undersells itself.

I am in complete agreement with that editorial, and I wonder what those people who will be put out of business will do in the event that such a thing takes place.

Other items of machinery have been mentioned, such as heavy grading equipment, levelling equipment and other things of that nature, but every county in Alberta has a complete line of heavy equipment which is rented out by the hour, along with an operator, to any farmer who desires to make use of this service. In that way the farmer is not responsible for the purchase or maintenance of this equipment and, furthermore, does not have to learn how to operate these machines. In that regard, I do not think the provisions of this legislation are feasible or advantageous to a farmer.

As far as the purchase through the provisions of this legislation of combines, tractors, plows and tillage machinery is concerned, I must point out that farmers, because of the very nature of farming and weather conditions, all have a need to use this type of equipment at the same time; therefore it would not be practicable to form a syndicate and purchase one of each.

This legislation appears to be directed toward vertical integration of the farming industry, and certainly in that part of the country in which I live will not be of any

[Mr. Fane.]

assistance to the small farmers. I should like to know who is going to benefit as a result of this legislation. Will the small farmers benefit? The only small farmers who will benefit, I suggest, are those in an area who are related and can operate their individual farms as a single unit. I gave an example of this in respect of a farmer and his several sons.

I understand that one third of the membership of any group or syndicate formed to take advantage of the provisions of this legislation may be comprised of individuals who are not engaged in farming. This is a very bad feature or premise to this legislation. Only farmers should be eligible for whatever benefits can be derived from this measure.

I cannot see any advantage to be gained by the small farmer through this legislation, unless he can, under the provisions of this bill, obtain a loan on the machinery which he has now mortgaged, in most cases to the bank or under the Farm Credit Corporation provisions. It may be of assistance to a big farm, providing that farm is operated by a father and sons, who are all owners but who operate their properties as one unit. So far as I can see, this is the only place where this measure would be of help.

As I mentioned at the outset, the initial cost of the machine is not the only consideration. There is still the interest, the bookkeeping, and so on. Somebody will have to be paid to keep the books, manage the repairs and other items that will crop up from time to time under an agreement such as this. I should like to see these loans insured. I understand that any one member of the syndicate is responsible for the whole loan. I believe the loan should be insured in the name of all the members of the syndicate, then one member would not be left to pay up the whole loan in the event of default because of death or for other reasons.

It would not be proper for me to criticize a measure such as this, unless I could suggest to the minister some means of getting around the fact that so much money will be made available to one section of the country by way of these loans. Farmers do not want to be borrowers. Every one of them is an individualist. He wants responsibility for conducting his own business, and he feels that is his own business.

**Mr. Roxburgh:** May I ask a question?

**Mr. Fane:** Yes.