

Hon. Mr. Hayden: It works the other way as well.

Hon. Mr. Pearson: Honourable senators, I am not quite clear myself as to what the advantages of this bill will be to the farming community, but it has taken the present Government a long time to come forward with a new piece of agricultural legislation.

As the Leader of the Government (Hon. Mr. Connolly, Ottawa West) has stated, we have had at this session two agricultural bills, one dealing with the Farm Credit Act and the other with the Farm Improvement Loans Act, but these were merely extensions or amendments to existing acts. We heard great promises in the past year and a half of what was going to be done for the farmers. First, we were going to have two ministers of agriculture, one for eastern Canada and one for western Canada. Apparently the Government has changed its mind or sees the possibility of conflicting interests, since neither minister would be in full control of national policy. Then there was to be legislation to free the farmers from the cost-price squeeze. Finally, we were going to have a guarantee of \$2 a bushel for wheat—this was mainly for the west—even though wheat at that time was over \$2 a bushel. These promises have all been forgotten.

The minister in one of his peregrinations saw something in England and, being a man of very few ideas, he thought of this sharing of farm machinery as something new which might enhance his stature among agriculturists as a minister with new and advanced ideas. I have here a clipping taken from the *Family Herald* of October 8, 1964, written by David Suderman; it appeared on the editorial page of this national agricultural magazine. I quote:

When he introduced his highly-touted machinery bill to the House of Commons, Agriculture Minister Harry Hays declared that it would set up a farm machinery credit program fundamentally different from anything proposed before. Basically, however, except for providing an additional source of credit to farmers, the measure's main feature is to give official recognition to machinery co-operatives and joint ownership of farm machinery, neither of which are new ideas.

This, however, is not a new idea; it has been used for many years by farmers as a means of cutting the cost of certain implements, such as water tanks, post-hole drills, brush mulchers, etc., but in each case one farmer was responsible for the machine, and kept it in repair and ready for use. The minister, however, has undertaken to put

this co-operative program down on paper in the form which you have before you now as Bill C-121.

At the outset, honourable senators, I may say I am going to support this act, not that I think it is of great value but it may help some farmers, and I certainly would not want to deny any farmer whatever assistance he can get. It could help farmers in the purchase of irrigation trenchers, heavy bulldozers for clearing and levelling land, rock pickers, or any other machine which is not used in the rush of planting or harvesting field crops.

The problem of all farmers lies in the vagaries of the weather. When the sun shines and the season is right, seeding must be completed as rapidly as possible so as to produce uniformity of crop, whether it be oats, wheat, barley, sunflowers, soybeans, onions or tobacco. The harvests likewise must be gathered quickly so as to avoid loss due to moisture and weather.

This past season in western Canada has emphasized the fact that each farmer must have his own harvesting equipment to be able to take advantage of the very brief periods of good weather. Although harvesting in western Canada started in August this year, there are still many areas where it has not been completed, and there are some areas where farmers have not even commenced their harvesting.

A group of farmers, when properly syndicated, may under this act purchase all the machinery they need for their farming operations. There must be a minimum of three partners in the syndicate. Three or four small farmers may go into debt to the extent of \$15,000 each, which means a total debt of \$45,000 or \$60,000 depending upon whether there are three or four in the partnership. They must do this in order to get enough machinery to handle all their land holdings. They can then be in a position equal to that of a farmer with large land holdings. If each takes his limit of potential under this act, each would have to pay \$3,000 in cash. By this method each one of the partners could reduce the total necessary capital cost of farming his land properly by approximately two-thirds or three-quarters of the total. The interest or service charge would be something like 6 or 7 per cent.

I noted that the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) was quite optimistic yesterday when he said the rate of interest would be in the neighbourhood of 6 per cent, or a little over 5 per cent. However, I think it will work out at 6½ or possibly 7 per cent.

On the other hand, an individual farmer may, under the present Farm Improvement Loans Act, purchase his most-needed farm