

of an elevator or other person receiving delivery of the grain for the board shall deduct and pay to the board, in priority to all other persons . . .

Now, what does that mean?

Hon. Mr. Aseltine: That refers to subsequent deliveries.

Hon. Mr. Crerar: No.

Let me give an illustration—and I am afraid I am not making myself clear at all tonight. A farmer has grain in his granary; he owes an implement company, a bank or someone else, who takes a lien on his grain. That is a common practice in western Canada. Then if he does not pay his debt they take his grain.

Hon. Mr. Aseltine: They do not do that any more, because if they take a lien on grain, they cannot sell it anyway, as they have no permit.

Hon. Mr. Crerar: That is not quite the point I have in mind. If there is a prior lien on the grain—and there may be under a provincial law—what is the meaning of stating in this bill that a lien to the Wheat Board has priority over everything else? I may be entirely wrong on the matter, but I do think that when the bill is at the committee stage we should have a full explanation on it.

I do not wish anyone to get the impression that I am opposed to this legislation. I think under the circumstances it is necessary. I doubt very much, however, if it is better than the method of making loans through banks, as has obtained for the last few years. There is of course the advantage, as the honourable senator from Rosetown (Hon. Mr. Aseltine) has pointed out, that this is really a purchase of grain with a deferred delivery; and in that case the farmer gets the money and pays no interest on it. However, interest is paid on that money, and it comes from the Consolidated Revenue Fund.

The second point my honourable friend made is—and I must admit there is some force to it—that it is frequently not convenient for a farmer to go to a bank and get a loan. He has elevator agents within a few miles of him, whereas he might have to travel 15, 20, 35 or even 40 miles to reach a bank. Unquestionably here is an advantage in that respect; but on the other hand against that we have to recognize that there will be a great increase in cost for the Wheat Board staff in looking after the detail of the several hundred thousand loans, if they are made. It means a great deal of additional work for elevator agents, and the only thing that the Treasury will pay is the interest and the losses, if any losses occur. All the other incidental expenses that I speak of—the

necessary clerical help, the printing, the forms and everything else—are all to be charged to Wheat Board funds, and consequently, when the final adjustment for the year is made, will be a deduction from the total receipts going to the farmers. It is worth trying out, but the one thing I do wish to say before I sit down is that I think it is important to get a clear understanding of the problem as it affects the farmers.

One other point has just occurred to me, and that is the criticism that has been made that this is a discrimination in favour of the farmers. Well, that can be argued. There are pulpwood producers, I am told, who cannot sell their pulpwood today because the pulp mills are unable to find a market for their product. Well, it would be just as reasonable for the Government to come to their assistance and say, "We will buy your pulpwood and give you a cash payment on it and you can deliver it later on." The same point applies to all other primary products. The fishing industry is not in too good shape today.

There is a principle running all through this legislation that I think should have the serious consideration of Parliament. There is one difference, however, in respect of grain and that arises because the marketing of grain today is a state monopoly. A farmer is not free to sell his wheat outside of the province where he lives for any price he might be willing to accept. I think those circumstances place wheat in a little different category from these other things that I have mentioned.

Hon. Calvert C. Pratt: Honourable senators, just to set the record clear as I see it, I would like to refer to one matter which the honourable senator from Churchill (Hon. Mr. Crerar) dealt with a moment ago. He referred to the British Wheat Agreement and the loss which the farmers of Canada suffered under that agreement, which I think extended over a period of three or four years. I had a close connection with this issue at that time, and being a resident of Newfoundland, which was then a foreign country as far as that wheat disposal was concerned, I can state from first-hand knowledge that the agreement did not result in the direct loss to the farmers of Canada which the honourable senator indicated.

When the British Wheat Agreement was made Canada had an assured market in Great Britain for, I think, practically the whole of the wheat requirements of that country. The very next day after that assured market was created by the signing of the agreement the price of flour to all foreign markets of Canada was increased.