

The motion was agreed to, and the bill was read the second time.

REFERRED TO COMMITTEE

Hon. Mr. Robertson moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

PRAIRIE GRAIN PRODUCERS' INTERIM FINANCING BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 44, an Act to provide for short-term credit to grain producers in the Prairie Provinces to meet temporary financial difficulties arising from inability to complete harvesting operations or to make delivery of grain.

He said: Honourable senators, this bill is designed to provide short-term credit to grain producers in the Prairie Provinces to meet temporary financial difficulties arising from inability to complete harvesting operations or to make delivery of grain. This credit will be made through bank loans guaranteed by the Crown.

There are, at the present time, certain grain producers who, because of delayed uncompleted threshing, have been able to deliver little or no grain this year, and there are also some producers whose deliveries have been restricted by lack of available storage space in country elevators. The government feels that a restricted problem does exist, and has decided to make advances available through the chartered banks to producers in these circumstances.

Under the proposed plan, the banks will operate under an arrangement similar to the Farm Improvement Loans Act. They will make loans on their own account to farmers, and the government will stand prepared to meet losses up to 25 per cent of the loans made—that is, the government will pay a bank a total amount not in excess of 25 per cent of the aggregate principal amount of the guaranteed loans made by that bank. This guarantee is larger than under the Farm Improvement Loans Act because the risks are greater, and about the same as under the Veterans Business and Professional Loans Act. The banks will be able to call upon the government to implement its guarantee on October 1, 1952, after there has been an opportunity for deliveries to be made from the 1952 crop as well as the current crop. The loans should, however, be fully repaid out of the proceeds of the 1951 crop.

As the loans are intended only to provide some cash for a limited period to those farmers who have been unable to deliver

any significant volume of grain, it is proposed that the limit shall be \$1,000 to any one farmer. In making individual loans, the banks will take into consideration the quantity of unthreshed or threshed grain which producers will have for delivery when their threshing is completed or when elevator space is available. In determining the amount of individual loans the banks will also take into consideration deliveries which producers have already made.

Within the maximum provided, the amount of money which will be loaned in each individual case will be determined by the banks on the basis of their experience and judgment, and of course they will bear in mind the considerable guarantee which is being provided by the Government of Canada. It is intended that these temporary loans shall be repaid just as quickly as producers can deliver their grain.

These loans, honourable senators, are not in any sense to be regarded as a form of relief. They are interim advances made available at commercial rates of interest to producers who have grain stored on their farms or who have crops which they have every reason to believe will be harvested in due course. It is hoped that the provisions of this bill will solve the financial difficulties of those producers who have been unable to harvest and market sufficient of their crops to provide for their current living expenses. The number of producers in that position is growing smaller every day, but there are still certain areas where the credit to be made available will relieve a situation that might otherwise result in considerable hardship during the coming winter.

Hon. W. M. Aseltine: Honourable senators, I think I should say something about this measure which, in my opinion, is the most important one we have considered today.

Hon. Mr. Hayden: This is your bill, is it not?

Hon. Mr. Haig: He needs the money.

Hon. Mr. Aseltine: It furnishes some relief, at any rate, to the farmers of Western Canada who have been unable on account of adverse weather conditions to thresh and market their crops. In fact, I rather think that the minister must have read the speech I made on November 20 last before he prepared this measure. Perhaps I will be pardoned if I read what I had to say at that time about the plight of the western farmers, and what should be done under the circumstances. At page 106 of the Official Report of Debates I said this: