

Grain

would prove that on the basis of the initial payment, with the total wheat crop of the three prairie provinces estimated at \$600 million, there is still unharvested \$175 million worth of wheat. There will be other payments to come later. That is the value that is out. The government guarantee of \$5 million—that is 25 per cent of the \$20 million—is therefore less than 3 per cent of the total unharvested crop, which is not very good. I imagine that the large operators who have considerable grain out, while they have had terrific expense, still would probably be able to finance at the bank. I therefore think that a great many of the people who most need this assistance will be greatly handicapped, and the more so when there is not a rate of interest set forth in that bill. I am terribly disappointed that the rate of interest is not embodied in the bill because, as I say, I know that men in my own community—neighbours of mine and myself—when we are arranging credit for the year, are charged a different rate of interest. Therefore you will realize what a great handicap that will be to the small man whose credit is not too good in that community. In many instances he will probably not be able to get assistance under this legislation.

There is much else I might say about this bill, but I do not want to repeat what took place at the resolution stage. I still hope something can be done to have inserted in this bill a definite rate of interest which will be of assistance to the small operators who greatly need it. I am also sorry that this matter was not dealt with somewhat earlier, because many of these people who have little other income, who have families to provide for, and with winter now upon us, find it difficult to make bare provision for their families let alone provide them with a proper Christmas. I should like to have seen this matter dealt with some weeks ago. May I appeal to the minister to have inserted in the bill, even in the committee stage, a rate of interest which will provide for all the operators throughout this stricken area of the prairie provinces.

Mr. P. E. Wright (Melfort): Mr. Speaker, I think one thing the minister said was exceedingly true indeed. That was that the government risk in making these loans is negligible. I would, however, give a different reason from the one he gave. He said it was negligible because of the confidence the government have in the farmers. I would say the government's risk is negligible because of the conditions under which the loan is made. No farmer can obtain a loan without first producing his delivery book and having

the loan indicated in the book. He cannot make delivery of a bushel of grain for which he receives payment through the wheat board without that loan being first taken care of. As far as the government is concerned there is no risk. All they are likely to have to meet, I would say, is 5 per cent of the amount they guarantee under this bill, because of these restrictions. The only person who could possibly be a risk would be someone who quit farming this year, never delivered another bushel of grain and had no payments coming through the wheat board. He is the only man who could possibly default, in view of the conditions laid down in this bill as I read it.

The matter of interest raised by the hon. member for Souris (Mr. Ross) is one that I raised yesterday. As he has stated, the banks in the western area charge different rates of interest depending on the risk they think is involved in making the loan. A large operator or farmer can go in and quite often get a rate of interest of 5 per cent. When a smaller farmer goes in, where the risk is greater, he pays 6 per cent. When the wheat board borrow money to finance initial payments on the grain bought by the wheat pools and the elevator companies, they borrow money at 4 per cent. When the wheat board, as a government agency, apply to obtain funds from the banks for the carrying of the grain they hold, they have a rate of 3 per cent. So as I see it, under this act different rates of interest may be charged to different farmers, depending on the views of the bank manager as to the risk involved. I do not think there is any risk—or if there is it is negligible—where the entry is made in the delivery book of the farmer. If he delivers grain at any time afterward or receives payments through the wheat board, those payments must be first charged against the loan.

The people who are really affected, at least in the area from which I come, are those who live a long distance from the banking institutions. In my own constituency the distance from Hudson Bay Junction to Tisdale is approximately 100 miles. There is a bank in Hudson Bay Junction and there is a bank in Tisdale. There are several hundred farmers living at Prairie River and Mistatim, or along that line, who are forty or fifty miles from either of those banks. They have to journey to one or the other of those towns in order to negotiate a loan. They have probably never before been in the bank asking for a loan, because many of them have small acreages. They are in the pioneer stage, and they have not made much this last year. In fact, in a large area there last year their