

quarter of one per cent, and, perhaps, not even one-tenth of one per cent.

Mr. MEIGHEN: The hon. member does not realize that this is not an ordinary collection. My idea was to give the banks an inducement to collect this money, instead of establishing an organization in every part of the country to collect it ourselves. The banks just get 5 per cent on the money they lend which they do not collect, and in respect of that money I think it is safe to say that they lose. They could not afford to do business on that basis, and we give them this inducement in order to ensure that the largest possible proportion of the whole outlay is collected by the banks themselves and a saving to the Government effected accordingly. I earnestly hope that it will never be necessary to increase it beyond 1 per cent, and if we succeed in this I shall be very happy.

Mr. TOBIN: I am surprised at my hon. friend's explanation. He says that the banks have a right to charge 5 per cent.

Mr. MEIGHEN: I did not say that.

Mr. TOBIN: What does the minister say?

Mr. MEIGHEN: I did not say 5 per cent.

Mr. TOBIN: Interest?

Mr. MEIGHEN: Oh, yes. Where they get 5 per cent on the money they get nothing at all for collecting, because they do not collect. They get 5 per cent when they appeal to the Government to pay on its guarantee. We pay 5 per cent and we have to go and collect it from the farmer. We want that proportion to be as small as possible, and consequently say to the bank, "Wherever you collect we will pay you 1 per cent extra."

Mr. TOBIN: I do not think the hon. minister has made his case any better, for the banks are not responsible to the Government except as regards the collections they make on which they have the right to retain 1 per cent. I think 1 per cent is more than any ordinary business man in the country pays for any collection.

Some hon. MEMBERS: No, no.

Mr. TOBIN: Hon. members dispute this, but I may tell them that in our part of the country and in nearly every small town where there are branches of the different banks all that business men are ever charged on any collection on drafts or notes is $\frac{1}{4}$ of 1 per cent, and I think that any business

man in this House will bear me out in this statement.

Mr. BUREAU: Who will decide whether the loan is to be granted—the bank or the minister?

Mr. MEIGHEN: The system is this. The applicant for a loan applies to the agent of Dominion lands of the district under whose purview is the land on which he wishes the loan, and the agent certifies the application which contains all details as to acreage and the quantities of seed grain to be supplied. When the application is certified he is entitled to go to the bank and get the loan and give the bank security.

Mr. CRONYN: Has the minister considered limiting the amount of seed grain to be given to each applicant or each quarter-section?

Mr. MEIGHEN: We do that by regulation which we make under the terms of the Bill. The agent will know if a man is applying for more seed than he can use, and it will be an offence if he applies any of the seed to any purpose other than that for which it is obtained.

Mr. TOBIN: In selling grain to the farmer does the Government set the price? What prices are being paid for different kinds of seed grain?

Mr. MEIGHEN: Under this Bill the farmer can get his seed where he likes, but through the Department of Agriculture provision is made for supplying seed to municipalities, which in turn supply to the farmers. The Department of Agriculture collects the seed through an organization which it has, inspects it as regards its germinating qualities, freedom from weeds, etc. and then sells it to the municipality at cost, plus any expenditure we may have etc., and then sells it to the municipality same, sells to the farmer at cost to itself.

Mr. CAHILL: Will the minister state what objection there is to fixing a limit?

Mr. MEIGHEN: I can only repeat the objection I have several times stated. I know of no object to be served, for the reason that where the Government own land on which no one else can lend, not being able to take security, it must lend the money and provide seed, rather than see that land go unseeded. As nobody else can lend upon it, we must do so. If we fix a limit and find it too low we must necessarily exceed the limit; therefore what is the use of fixing any limit?