

money to the Canadian Wheat Board at 4½ per cent, subject to the guarantee of the Minister of Finance.

I should like to impress on honourable senators that the advances are not loans; no interest will be charged to the recipients, except in the case of default, when 6 per cent will be charged until the amount is paid up in full.

No objection should be made by honourable senators to the farmers getting these interest-free advances. It will be remembered that when price controls were put on, the millers of this country obtained wheat for 77½ cents a bushel, at a time when we were selling wheat under the British Wheat Agreement at \$1.55 a bushel, and on the open market for more than \$2; and at the same time wheat growers in the United States were getting as high as \$3.50 a bushel. Honourable senators will remember when we passed legislation to bring the British Wheat Agreement into effect, and what happened. I spoke several times on the question of losses under that agreement, and so did the honourable Leader of the Government (Hon. Mr. Haig). Under that arrangement the farmers lost at least \$500 million. So I see no reason why anyone should object at this time to the grain producers getting interest-free advances. These advances are *bona fide* part payments for grain. Formerly, the farmer got an initial payment when the grain was delivered to the elevator. Under this arrangement he will get the advance and deliver the grain later when the elevator space is available.

Honourable senators should also know that an agreement has been entered into between the Government and the elevator companies which will have charge of making these cash advances on behalf of the Wheat Board, whereby they will absorb 10 per cent of the loss in respect of each individual advance up to one-quarter of 1 per cent of the total.

Hon. Mr. Macdonald: How could there be any loss?

Hon. Mr. Aseltine: We do not expect there will be any losses, for the reason that the elevator people are fully conversant with the affairs of practically every farmer who delivers grain to the elevator, and no advance will be made to a farmer without some assurance that he has the grain and can subsequently deliver it to retire the debt.

It is believed that this system, which is familiar to producers now, will result in efficiency without unnecessary expense. Before the elevator agent makes an advance he insists on an application being signed. This

application covers all details and is verified by an affidavit. The farmer or producer also gives a lien on the grain to the Canadian Wheat Board. One-half of the initial payment on each subsequent delivery is deducted and applied by the elevator agent on the debt, and the entry is made in the man's permit book. For example, when the elevator man makes the advance he enters in the permit book the amount of the advance and all the other details. When the producer brings in wheat after a quota is set up he deducts one-half of the initial payment on that delivery and credits it to the debt in the permit book and sends the money to the Wheat Board.

Hon. Mr. Lambert: Would the elevator agent be permitted to deduct from that advance other charges that a farmer might be owing to, say, the implement dealer or to someone else?

Hon. Mr. Aseltine: The object of these advances is to enable the farmer to pay his debts and I don't think there is any intention of helping a farmer to get out of paying his taxes or any bank loans that he may have obtained under that act; it will depend on the procedure that is followed as to whether or not the elevator agent has to honour any of those claims.

I want to say something further in favour of this legislation, and that is that the small farmer will benefit most. In spite of the fact that there is a tendency in the Prairie provinces towards larger farms, most of the farmers are still in the category of small farmers.

Hon. Mr. Macdonald: What does that mean in acreage?

Hon. Mr. Aseltine: I will give the figures: 31,299 permit holders are in the 100 specified acre category.

63,272 permit holders are in the 100-200 specified acre category.

51,762 permit holders are in the 200-300 specified acre category.

31,206 permit holders are in the 300-400 specified acre category.

20,672 permit holders are in the 400-500 specified acre category.

12,160 permit holders are in the 500-600 specified acre category.

I have not given them all. That makes 210,371, out of a total of 231,000 permit holders. The others are larger farmers.

I would like to say that only two permit holders have between 7,000 and 8,000 of specified acres—that means acreage under cultivation. A permit holder would need to have 1,000 specified acres, that is 1,000 acres under cultivation, before he could secure the limit under this legislation, which is \$3,000.