

Hon. Mr. Davies: Before the sponsor of the bill speaks, may I ask him to explain why there is a surplus of wheat? Is it because the Wheat Board is holding the wheat at a certain price, and that there is no market at that price? Could the wheat be sold if the board reduced the price, and would the farmers agree to that?

Hon. Mr. Horner: No, they would not.

Hon. Mr. Aseltine: Honourable senators,—

The Hon. the Speaker: May I remind the honourable senator from Rosetown (Hon. Mr. Aseltine) that if he speaks now he will close the debate on the second reading of this bill.

Hon. Mr. Aseltine: Honourable senators, I think yesterday I answered the question which has just been put to me, when I said that in my opinion the Wheat Board is not holding wheat or other grains at too high a price, and that if the board reduced the price and threw the grain on the market it would not result in greatly increased sales. If that were done, it would possibly mean a terrific loss to all concerned, not only to the farmer but to the economy of the country as well.

Like the honourable senator from Blaine Lake (Hon. Mr. Horner), I am not terribly worried about the fact that we have seven or eight hundred million bushels of wheat in the granaries of western Canada. I can point to other years when we had a surplus, followed by a series of poor crop years, and the first thing we knew was that we had no grain on hand at all and had to import seed from the United States. At that time we did not have feed for our livestock. Circumstances change, and I think it is a good thing to have some grain on hand.

I was somewhat surprised at the speech made by the honourable Leader of the Opposition (Hon. Mr. Macdonald), in which he referred to bank loans under the Prairie Grain Producers Interim Financing Act, which was amended last year to make the maximum amount of the loan \$3,000 instead of \$1,500. He is labouring under a wrong impression if he thinks anyone can go to the bank and get a loan of \$3,000. It just can't be done.

Hon. Mr. Macdonald: I was not labouring under a wrong impression.

Hon. Mr. Aseltine: The quota is six bushels to the specified acre, and before a man can borrow \$3,000 he must have one thousand specified acres.

Hon. Mr. Macdonald: Would the honourable gentleman kindly quote the section of the act?

Hon. Mr. Aseltine: No; I know it from experience.

Hon. Mr. Macdonald: There is nothing in the act to that effect.

Hon. Mr. Aseltine: A farmer could not borrow that much money so easily, for the banker would not give it to him. A farmer has to pay back the money by giving half of the receipts that he gets on the interim payment for the grain as he delivers it, and it has to be paid back by July 31, which is the end of the crop year. Therefore under that act, with a Government guarantee, no banker could make the loan so large that the man could not pay it back by delivering the quota that was set by the Wheat Board. That is an actual fact.

Hon. Mr. Macdonald: It is not in the act.

Hon. Mr. Aseltine: And anyone will tell you that. If the farmer had more grain than that he could borrow the money from the bank without a Government guarantee. But I submit that the honourable Leader of the Opposition is entirely wrong in his interpretation that anybody could go to the bank and get \$3,000 by way of a loan guaranteed by the dominion Government.

The honourable gentleman also stated that I said in my remarks—and he was perfectly correct—that we hoped that about 150 million bushels would be used in this country, and that we hoped to export about 300 million bushels. But that grain is not used up yet, nor is it exported, and the farmers who own that grain cannot get it into the elevator, so how in the world are they going to be financed in the meantime, unless they borrow money under this legislation? The very purpose of this legislation is to give the producer a right to go to the elevator and get a cash advance on his grain, and later on deliver the grain as quotas are set up and space is available in the elevator. As I said yesterday, this is no cure-all. It is not intended to solve this whole wheat problem; it is intended simply to enable the producer on the land to obtain money with which to pay his taxes, meet his store bills, buy coal, and pay other bills, which he cannot do under ordinary circumstances until there is space in the elevator and he is able to deliver his grain.

As the honourable Leader of the Government (Hon. Mr. Haig) has stated, this question of the six-bushel quota will be fully explained by the Minister of Trade and Commerce if the bill goes to a committee for consideration. I can give no further information on that right now, for I have not been able to see the minister since the debate yesterday, but he will be prepared to answer