

concern, which in many instances would require at least \$10,000, and where this type of deal was made with the returned man that then the supervision element definitely comes into force. We felt that this type of a deal should be done probably through an agreement of sale rather than giving title, because of the ease of removing any who because for any reason were unable to complete the deal or who is not going to make a real farmer.

Status of Producers under Section 89 of the Bank Act who Consign their Produce to Commission Houses

Producers consign their produce to commission houses for sale on commission. It has frequently happened that when the commission house involved became insolvent the banks, railroads and other creditors all shared equally or in priority to the producer, with the result that the producer got little or nothing, when he felt that all the money was his except the 10 per cent that he paid the commission house for the commission. My recommendation is that it should be required that these houses which solicit business on consignment of farm produce be required to keep a separate trust account of the grower's money less only the amount of their commission. My suggestion is that this whole problem should be studied by the Committee with the end in view that the priority rights given to the bank under section 89 of the Bank Act would be curtailed to the extent that curtailment is necessary to achieve this result.

Branch in Department of Agriculture to Supervise and Direct Farm Credits

Inasmuch as there is likely going to be a great deal more credit of various kinds given to agriculture in the future and as it will inevitably follow that we farmers will from time to time wish to make adjustments and suggestions and criticisms, we would therefore suggest that the Department of Agriculture establish the necessary branch to study our problems with us and help us solve them, particularly so because we as farmers when we come to Ottawa feel at home only when we are dealing with those in the Department of Agriculture who understand our problems and know us and we know them. We have had very little contact in the past with the Department of Finance and feel, rightly or wrongly, that they do not talk our language and understand our problems as well as agriculture does. This is not an entirely new departure because before the war when we wanted loans for cold storage we had a branch there that we consulted and who prepared the case to present to the Minister of Agriculture, who then got the necessary finances for us. Of course during the war there have been numerous instances of where the Department of Agriculture has looked after our financial needs.

Bill 134 makes provision for a very wide range of short and intermediate term credits which should prove very useful to agriculture. While every reasonable effort has been made to meet anticipated problems which will arise under this Act yet new ground is being broken and it is quite obvious that many problems will arise in the administration of the Act which if dealt with intelligently will greatly improve the working of the Act. We should have a branch of the Department of Agriculture to which branch we could present our views in regard to these problems.

Income Tax for Agriculture

The present Income Tax Act is unsatisfactory to agriculture because of the complexity of the returns which the farmer is required to make, and must be unsatisfactory to the Department of Finance because of the small amount collected and the great expense of the collections, and so I would suggest that this Committee study the feasibility of making the income tax for agriculture a straight percentage of the gross turnover. The farmer knows pretty accurately