on the part of others to facilitate the passage of the bill and its amendments. Let me deal with some of my other objections. The first is that this bill deletes one of the major features in the old act, which was to the effect that the government shall share the responsibility in respect of acts by the Queen's enemies or acts of God. The new act completely strikes out that provision and states that the elevator companies, the terminals and people storing Canadian wheat must accept that responsibility.

• (9:10 p.m.)

I asked Mr. Monk, legal counsel to the Board of Grain Commissioners and, I believe, in the past legal counsel to the Canadian Wheat Board, about this particular clause and its being included in the bill. He said there is no real need for it because the companies can carry their own insurance programs. No one carries insurance without paying for it. I accept Mr. Monk's statement that it is purely a matter of insurance. In the past the government has been the insurer. The government has come to the aid of any industry which has suffered as a result of an act of God or an act caused by enemies of the Queen. Under this new bill, in respect of striking out that clause Mr. Monk said quite clearly it is up to the insurance company. No insurance company is now writing such insurance. If an insurance company should be required to write such insurance, someone will have to pay the premium. I ask the minister or anybody in this House, who will pay the premium?

An hon. Member: The farmer.

Mr. Horner: As someone to my immediate right said, the farmers will pay. That is right, the farmers or the producers will pay. The cost to the producer will increase as a result. Let us go a little further. Under this bill, grain handlers, grain terminals and grain companies are not to be allowed to charge for the cost of drying grain. It is purely a coincidence that just last fall we suffered a very severe situation in respect of drying grain. Without any hint being given for the reason for doing so, this bill unaccountably reverses the policy which has been long established under the Canada Grain Act. It holds the custodian of grain responsible for any loss of condition not due to fault on his part. At first sight it may appear to benefit producers to throw onto someone else the cost of any necessary conditioning of grain. Instead, by making it hazardous for elevators to handle damp grain and by creating a reluctance to do so, we may slow down the delivery of grain at primary elevators and its movement through terminals.

In a particularly damp fall, when there is a tremendous amount of out-of-condition grain, if the grain companies cannot charge for the drying of the grain, as was the situation under the old act, who will pay for it? The grain companies, if they cannot charge for drying the grain, may say that they are reluctant to take it. I remember the fall of 1959, last fall and particularly the fall of 1951 which was a wet fall. The terminals told the producers to send them their grain and stated that they would dry it, and so on. The new act makes no provision for a charge in respect of damp grain.

What is more important, in the new act there is provision for a period of transition. The bill provides for future changes to be made in specifications for grades of grain. Presumably a definite percentage of protein will be specified as necessary in the higher grades of wheat. The change will apply without difficulty to wheat marketed thereafter. It creates a problem left unsolved concerning what is to happen in respect of tens or perhaps hundreds of millions of bushels of wheat the Canadian Wheat Board will have in store at the time of change.

There would seem to be a quite inaccurate assumption that the problem will be avoided by providing notice of eight months of impending change. There would seem to be an expectation that all problem wheat could be cleared out of the way in that time, something which could not possibly happen. What I am really saying is that under the bill there would appear to be an expectation that it would be possible to change grades within eight months. There is a clause which suggests the grades could be changed in a shorter period than eight months. What will happen in essence is that the grain companies, no matter whether they be members of the Alberta Wheat Pool, of which I am a member, the Saskatchewan Wheat Pool, the Manitoba Wheat Pool or any line company, will suffer the loss.

This loss will be transferred back to the producer. I will try to tell you how. For every 100 million bushels of grain in storage, the banking concerns in our society have to put up the financing for its handling. If they suggest a loss could be incurred by the changing of grades, they will say they are not readily prepared to lend money to the grain handlers. If the banks are not readily prepared to lend money, they will demand a higher interest