

are facts. Mr. Bickerton can be questioned about it. There may be other pool members sitting around this table. There are members from Saskatchewan who know the picture pretty well, Mr. Tucker and Mr. Graham.

All I want to say is that the banks at that time did not play with the bulk of farmers who belonged to that organization, and if it had not been for the government of the day coming in after the banks refused and the province refused and taking it over and salvaging it I say that the picture would have been a very serious one. There is just one other matter.

Mr. KINLEY: What could be the amount of the business of the pool? It is big business?

Mr. PERLEY: The pool handles nearly 50 per cent of the grain grown in western Canada.

Mr. KINLEY: I suppose they have big reserves?

Mr. PERLEY: I do not know about their reserves. There may be some way of finding that out. We think they have a safe reserve now because they have taken a very splendid share of the victory loan each time. I might say that when Mr. Bennett took it over he took it over on the basis that they continue in business and pay so much over a period of years. I think it was ten or fifteen years. They have met their payments and become solvent in that way. I do not think they are behind in their payments at all now.

Mr. McNEVIN: By making deductions on the farmers wheat, of course.

Mr. PERLEY: They handle pool members' grain. They take off elevator fees; they take off commission charges; they take off freight charges, and then I might say there is participation in what is left over. That is handed back to the farmer. I suppose they put a certain amount away for a reserve to take care of these annual payments they have to make to the government, and in that way salvage the company.

Mr. KINLEY: Their revenue must be large because all they have got to do is charge the government for storage on grain.

Mr. PERLEY: As to storage of the grain they are charging the government just the same rate as the other grain companies are, and why should they not?

Mr. KINLEY: The government owns most of the grain.

Mr. PERLEY: The government owns 50 per cent of the grain that was delivered to the government in the last three years. A great share of that grain went through the pool; about 50 per cent or more of that grain went through the pool and on that grain they charge just the same rate of commissions, elevator fees, brokerage fees against the grain as the other elevator companies do. Why should they not?

Mr. KINLEY: And pay no income tax.

Mr. PERLEY: They do not pay income tax. Organized as they are as a co-operative organization I believe they are exempt, but that matter is being considered by the government, or is before the courts now and will be decided later.

Mr. CLEAVER: Did I understand you to say, Mr. Perley, that during that crisis the banks declined to extend credit to the pool on the same basis and for the same type of security as they would extend credit to the private elevator companies?

Mr. PERLEY: What I said was that the difficulty they had on this grain was that the banks would no longer carry it with the drop in the price of the grain.

Mr. CLEAVER: I may have misunderstood you but I understood you to say that the banks were sort of in collusion with the privately owned elevators and the banks declined to extend credit to the pool where they were quite willing to extend credit to the privately owned elevators holding the same type of security?