

Grain

The premier said Trade Minister C. D. Howe was expected to make a statement either when he was in the west on a current trip or when he returned to the east.

If an announcement was not made on advance payments at the elevator for undelivered grain, he continued, then a move would be made toward a second proposal.

The second proposal the premier outlined was the proposal for loans to farmers guaranteed by the municipalities, the provincial government and the federal government. But the premier of Saskatchewan, because of the discussions he had with the Minister of Agriculture when the minister made his trip to Saskatchewan, was able to say in the Regina legislature that he felt, following those discussions, that the most likely way it would be done was by advances through the wheat board; and the premier of Saskatchewan supported that kind of policy. The press report goes on:

Opposition leader Walter Tucker said he agreed the advance payment proposal seemed to be the better of the alternatives.

It seemed, he said, to be a "very rational solution or partial solution." Many people would be preferring this to going to the banks and municipalities.

Mr. Tucker said he had made representations to federal authorities to have storage paid farmers who store their own grain at least this year and perhaps as a permanent policy. He had suggested some system of advance.

He believed some thought should be given to payment for farm storage.

I think, in this situation, the Minister of Agriculture knew the best type of policy to deal with the matter. I believe, from the report I have just read to the house, that an advance through the wheat board was the basis on which the discussion was held in Regina. I know, from the statement, that was the premier's impression, and that such a policy had the support of the leader of the opposition. In the resolution the government proposes to guarantee the banks against loss up to an aggregate of \$5 million, by guaranteeing 25 per cent of the aggregate loans up to \$20 million.

In my opinion, if one read this resolution without knowing the situation in western Canada one might have thought it to be a measure of assistance to the banks in western Canada rather than one of assistance to the farmers. The farmers are not going to get anything for nothing. They are going to have to pay the full commercial rate of interest. The banks are going to get a good return on their loans; and if they have any loss, they are going to have that loss paid by the federal government.

I believe there was a method by which the government could have provided some additional payments to farmers who have undelivered or unharvested grain, that would

not have cost the government of Canada a single dollar and still would have more than covered the interest rate that farmers will have to pay. I refer to the payment of farm storage. The elevator companies now receive farm storage from the Canadian wheat board. They are paid at the rate of one-thirtieth of a cent a bushel per day. The elevator companies are now paid 1 cent per bushel per month as a storage payment. That works out to 12 cents per bushel per year. If the average value of the grain on which they were paid storage was \$1.00 a bushel, that payment amounts to an interest rate of 24 per cent. If the value of the grain, shall we say, was \$1.20 a bushel, then storage at the rate of 12 cents per bushel per year is equivalent to an interest rate of 20 per cent.

I think the farmer who is unable to deliver his grain or who is unable to harvest his grain is entitled to that storage payment. The wheat board made a storage payment some years ago; I believe it was about 1942, during the war, when there was a serious marketing difficulty. Administratively it was exceedingly simple for the wheat board to make that storage payment. All the wheat board had to do was periodically make a small advance in the initial payment for wheat, equivalent to the storage charge. If there had been in the initial price a gradual increase equivalent to the storage charge, the farmer who threshed his grain in the spring, and who had to go all fall and winter without a great deal of revenue, would have more revenue in the spring than he would have had in the fall, on the equivalent number of bushels, to an amount sufficient to cover any loans he might have had to make.

I am glad the government has had the wheat board send out the final payments on wheat, oats and barley. The fact that those final payments were made at an early date and that they were highly satisfactory, when one considers all the difficult circumstances under which the board had to operate, accounts in large measure, I think, for the favourable vote in Manitoba on the coarse grains plebiscite.

I can remember that in the wheat board debate last year I moved an amendment asking the government to wind up the pools within sixty days of the end of the crop year. The minister at that time said the idea of having power to wind up the pool year in a short time was mainly to handle, as he called it, dribs and drabs that had not been sold; in other words, a few million bushels of grain. I am glad the minister has had wound up the oat, barley and wheat pools a short time after the end of the crop year. I think