

Grain

were not able to sell their grain to the same extent. If storage were paid it would merely be a redistribution of wheat board moneys. In the present situation I think it would be a fairer basis than paying storage only to elevator companies.

Mr. Wright: There is another way in which I think the minister's statement was fallacious. He stated it would amount to the farmer paying storage to himself. That is perfectly correct, but storage is paid whether or not the farmer pays it to himself. It is paid to the elevator company, and that is exactly why the farmer thinks he should have it. The grain remains in storage and storage is paid on it, but it is paid to the elevator company.

Mr. Jutras: Not for grain held on the farm, anyway.

Mr. Wright: Pardon?

Mr. Jutras: There is no storage paid on grain held on the farm, anyway.

Mr. Wright: There is none now, no. It is paid on what goes through the elevator companies. If storage were paid on farm-stored grain that amount would go to the farmers instead of to the elevator companies.

Mr. Jutras: Millions of bushels are marketed in the spring. There is no storage paid on that.

Mr. Wright: That is right. There is no storage paid on what is on the farm normally, but as to any amount over and above what is normally held on the farm, the storage would be paid to the elevator companies and they get the benefit of it unless the farmer is a member of a pool, when of course he gets it back.

Mr. Sinnott: I should like to ask a question of the hon. member who has just sat down, in order to be helpful. Does he not think if farm storage were paid there would be a tendency for the farmer to hold grain back on his farm until the latter part of the marketing season in order to gain that storage money for himself? That would then bring about far worse conditions for moving that grain.

Mr. Argue: A question like that is not very sensible at a time when the farmer cannot market his grain.

Mr. Sinnott: On a question of privilege, I did not ask the hon. member for Assiniboia; I asked the hon. member for Melfort.

Mr. Argue: Then you will get two answers.

Mr. Sinnott: I cannot comprehend fully the answer the hon. member gave.

Mr. Wright: I do not think payment of storage on farm-stored grain would make very much difference in the amount of grain

[Mr. Argue.]

coming forward. I do not think there are many farmers who would simply hold their grain on the farm for the purpose of getting the one cent storage on it. In the first place not many farmers are in a position to hold it if they can market it, but if they have to hold it they should get something on it.

Mr. Sinnott: Mr. Chairman—

Some hon. Members: Sit down.

Mr. Sinnott: I am not going to sit down. I am going to say what I have to say. I want to make this clear. We all want to finish the discussion of the resolution but I want to have this point cleared up first. It is quite clear that farmers, mostly in Saskatchewan where there are big farms, hold back their grain purposely to avoid having the income tax all coming in one year.

Mr. Argue: Has the government given any consideration to making the 25 per cent guarantee applicable to credit unions? We have a number of large credit unions in Saskatchewan and in other provinces of western Canada, that have been most successful. They are engaged day to day in the lending business. Has any consideration been given to extending to them the same guarantee as to the banks?

Mr. Howe: A good deal of consideration was given to who would do the lending. At first we thought the logical agency would be the elevator companies, and I must say the Saskatchewan pool was very co-operative in agreeing to arrange that and share part of the loss. However, on going into the situation it was found there were protests that elevator agents were not in the habit of filling out forms, that they were not bankers and were terrifically busy doing the job of running the country elevators. There was only one agency that was favourable to that plan. We gave it up as impractical. Then we looked at other sources of lending and decided that the chartered banks were the logical agencies. They undertook to do the job, somewhat reluctantly it is true; they agreed to carry out the letter and spirit of the act. I think the suggestions that have been made that the banks will not do a thorough job in looking after the needs of western Canada under this legislation are unfounded. We cannot go beyond the chartered banks. There are reasons for that. It is not possible to extend the same lending privilege to the credit unions, and I do not think it is necessary for this very short term financing.

Mr. Ross (Souris): I want to ask a question that has a bearing on farm storage. Is it not a fact that a certain amount of grain is carried for a while in the terminals and the