

and in many cases in the early days from 1908 on, the farmers had to pay a greater per cent of interest to get money in that way through the grain company than the bank under the Bank Act, is allowed to be charged. So I say, and I want to make it plain, that that is the system that prevailed for a great many years, and that is how the farmers got advances on their grain either in elevators, in transit or while it was weighed up and they had the warehouse receipts, or the elevator company had. There was, I say, an injustice done the farmers for many years, because many of the grain companies did not confine themselves even to charging the bank rate of interest. They charged more in many cases, and sometimes the loans were for short periods and they charged so much—in fact, I know of cases where the farmers paid as much as 10 per cent to get loans in that way.

Mr. KINLEY: From the elevator companies?

Mr. PERLEY: Yes.

Mr. KINLEY: Is that what is known as the wheat pool?

Mr. PERLEY: The wheat pool is one great elevator concern. They have a great many elevators in western Canada. I know what was the law with respect to what the elevator man could do in hypothecating the farmer's wheat to get an advance and what it meant. I might say that there were a great many cases in which the wheat would be hypothecated, and an advance given to the grain company for a whole lot more than the farmer had asked in the first place as an advance against his grain. In many cases the elevators did not advance the amount that went to their credit when they hypothecated the wheat. They only advanced part of it and used the other for I am not saying what. But I know what happened because I was in business. I had the competition of five other elevator concerns in my own town, and I know the competition I had to meet in that way. That is one thing.

Mr. CLEAVER: What interest rate did you as an elevator owner have to pay to the bank?

Mr. PERLEY: You paid the bank interest. That was between you and the bank. They could only charge you so much. I am not saying they charged the elevator man more. That is not my complaint. What I am saying is that the elevator man hypothecated the farmer's wheat to get the advance with the proper rate of interest. But as to the interest that the elevator charged the farmer, there was nothing to control that.

Mr. KINLEY: Did you borrow from the banks in those days?

Mr. PERLEY: Yes, I did. I may say that as far as I was concerned you can take the expression of opinion among the farmers in the district that I served, and I do not think they were ever over-charged. In fact, considering that there were six elevators in town, I think the amount of business done by us spoke pretty well of the accommodation we gave and the way we treated the farmers.

Mr. KINLEY: You did borrow from the banks?

Mr. PERLEY: Yes.

Mr. KINLEY: Were your relations with the banks satisfactory?

Mr. PERLEY: Yes. I am not complaining about that. But I am saying that the banks refused to deal directly with the farmers, and forced the farmers to get advances from the grain companies. I think Mr. Bickerton will bear me out in that. I think he has had similar experience, as well as many farmers in his district. There is another matter I wish to refer to.

Mr. McNEVIN: Before you leave that, Mr. Perley, may I ask if that condition prevails to-day with the wheat board? Does the same condition prevail to-day?

Mr. PERLEY: As which?