

Mr. McNEVIN: As the grain is handled at the present time.

Mr. PERLEY: Surely. I am not saying it does not prevail now, but I do not think to as great an extent. I do not think there are any elevators now charging as exorbitant a rate of interest as they did in the early days, in the first ten or fifteen years.

Mr. McGEER: Why would the banks not lend to the farmers?

Mr. PERLEY: They could not take the grain on the farm as security under the law, I do not think. In the amendment to this Act now I think they are going to give them the privilege of taking security of the grain even on the farm.

Mr. KINLEY: How has this grain been financed during the last few years? There is a lot of legislation in the house about it.

Mr. PERLEY: It has been financed in the ordinary way, practically as I have outlined it. The farmer can get an advance now from any elevator company. If he holds the grain in an elevator, he gets his storage receipts and can finance on that now, at the present time. I am speaking of the period that is mentioned in this brief.

Mr. CLEAVER: You say the offenders were the banks?

Mr. PERLEY: I do not say the offenders were the banks at all. I say they did not advance the money readily to the farmer and the farmer, in order to get an advance on his grain when it was in the elevator or in transit, had to use this way of doing it.

Mr. McGEER: Before you leave that, you say the bankers could not lend to the farmer on the security of the grain?

Mr. PERLEY: The bankers could not take it as security at that time.

Mr. McGEER: Why?

Mr. PERLEY: There was nothing to permit them in the Bank Act to lend and take security of the grain under those conditions.

Mr. McGEER: There was certainly no prohibition.

Mr. GRAHAM: The farm was not included.

The CHAIRMAN: Mr. Perley, may I make a suggestion?

Mr. McGEER: No. It was only a special privilege. Pardon me, Mr. Chairman, but I want to deal with this.

The CHAIRMAN: All right.

Mr. McGEER: Section 88 only provided a special privileged security to the banks; but apparently it was because grain was not included in that special security that the farmer was excluded from the benefit of the Bank Act or banking facilities and was forced to go to the elevator companies and pay whatever rate they charged him which was uncontrollable and which was, as I take it from you, Mr. Perley, excessive and exorbitant.

Mr. PERLEY: Yes.

Mr. McGEER: But the banks could lend money on the security of grain or to the farmer on his notes.

Mr. PERLEY: Well, they did not.

The CHAIRMAN: Mr. Perley, I want to shorten the argument if I can; and suggest that later on we take the evidence of the bankers as to their practice.

Mr. McGEER: Yes.

Mr. PERLEY: There is another matter, Mr. Chairman, that I want to refer to. On page 340, Mr. Chairman, about the middle of the page, Mr. Bickerton referred to this:—

When our wheat pools overpaid the growers of the 1929 crop, the banks refused to be satisfied with the security they had advanced the