

the neighbourhood of Strasbourg, which to-day are suffering from drought perhaps as seriously as any lands in the western part of Canada. Why did they do that? Because it costs less to grow 20 bushels an acre on light land than it does to grow it on heavy land. Everybody knows that.

Mr. COLDWELL: In those days.

Mr. GARDINER: In any days. Any man who ever worked an acre of land knows it takes more power of every kind—more man power, more horse power, more gasoline, tears to pieces more implements—to work that heavy gumbo land than it does to work light land in any part of western Canada. Any practical man would agree with that.

Mr. MITCHELL: I do not agree with it.

Mr. PERLEY: No practical man would agree with you.

Mr. GARDINER: If you get 20 bushels to the acre on that light land, that yield is produced just as cheaply, and, I think it will be agreed, even more cheaply, on that land than on the other. So in so far as that part of the argument is concerned, there is very little to it. I have been asked to read on:

This two section power farm is the most efficient wheat producing unit which it is possible to set up.

Hon members will note that, according to this statement, wheat is produced at 34 cents a bushel.

Probably not more than one per cent of the farms of the west are as efficient as this. On the basis of past studies made in the Regina plains, with due account of debt reductions since, and crop yields and prices, the estimated average debt for these areas will amount to about \$26 per acre of crop land or \$52 per acre of wheat.

Again, I would call attention to this, that those are the lands which are carrying more debt than any other lands in Saskatchewan or probably any other lands in western Canada.

Mr. JOHNSTON (Bow River): May I ask if that price is on the farm or at Fort William?

Mr. GARDINER: Well, I have not reached the price at all, yet. I have been dealing with Professor Hope's estimate of the cost.

Mr. JOHNSTON (Bow River): I understood the minister to mention 55 cents.

Mr. GARDINER: I have been dealing with what Professor Hope says is the cost of producing wheat.

Mr. COLDWELL: On the farm.

[Mr. Gardiner.]

Mr. GARDINER: On the farm, yes. That is where costs of producing wheat are—on the farm.

Mr. JOHNSTON (Bow River): It does not include the freight haul.

Mr. GARDINER: It says, on the basis of past debt studies the debt runs up to \$52 per acre of wheat land. Professor Hope goes on to argue that if you are going to pay off that debt with wheat, at 6 per cent interest the charge amounts to 17 cents a bushel of wheat sold from an average crop of 20 bushels.

The cost plus interest charges per bushel of wheat would amount to an average of 72 cents for the half section farm, 61 cents for the section farm, and 51 cents for the two section farm.

To do what? To pay for the cost of producing the wheat and to pay the costs as well of any debt which has accumulated upon those lands in the years gone by. So far as western members who have lived round Regina are concerned I do not need to go into the reasons for the accumulation of that debt. Anyone who wishes to discover those reasons has only to read what Professor Hope has said.

Mr. DOUGLAS (Weyburn): Will the minister agree that interest is a legitimate item in the cost of production?

Mr. GARDINER: I am not stating my own figures; I have given the figures of authorities who have been set the task of figuring what the cost is. I have never calculated the costs myself and I cannot state what the figures are, but I think the authorities should be allowed to speak for themselves. After Professor Hope has pointed out, first, the average yield, and, second, the amount of debt which there is upon the land, and the cost in different types of land, he makes this statement in conclusion:

On the basis of the facts presented, if all the farmers of western Canada were entirely free of debt, or if they did not pay their debts, it would seem that the present farm prices for grain would probably barely maintain a reasonable level of living.

What he says is that if they did not pay their debt, or had no debt, then it is possible that the present level of prices would barely pay their cost of living, and that it certainly would not maintain a reasonable standard of living and enable them to build up their buildings and machinery, their homes and their personal effects up to the level that obtained prior to 1931.

Mr. JOHNSTON (Bow River): Would not the minister say that was essential?