

on this side, we have a Canadian farmer, while on the other side we have a United States farmer with just the line between the two farms. They draw to a town of the same name, the one on the Canadian side being called North Portal, while that on the United States side is called Portal. These farmers draw their grain to elevators which are not more than 300 yards apart. The price the Canadian farmer receives is the only factor which is comparable with the price the other fellow gets, because they are growing exactly the same product. The difference in price received by those two farmers has been as high as \$1.67 a bushel. So that when we are speaking of these things—

Mr. GARDINER: It has not been as much as \$1.67, difference in price, at any time.

Mr. SMITH (Calgary West): On January 20 that was the figure.

Mr. GARDINER: The hon. member is comparing the advance with the price, and the advance at North Portal plus the deferred payments has never shown that much difference with the price at Portal.

Mr. SMITH (Calgary West): I do not pretend to argue for one moment, because in my judgment the minister is the greater authority. Well, how would you like to add twenty cents, and then admit I am right? Would that be all right? Make it \$1.47 or \$1.30—I don't care—a very substantial amount of money. That is what I have in mind.

We have to bear this in mind when we are talking about these prices. In the north-western states wheat is bought on a protein basis. This I know of my own knowledge, from a tour I took through the state of Washington. In the United States all the wheat goes to a chemist, who makes an examination of the protein content. On this side, on the other hand it is sold by grade. If I remember correctly—and I hope to be corrected by the minister, if I am wrong—No. 1 northern is a wheat where one out of every five kernels is red, hard and vitreous. It does not say anything about protein content. But it so happens that the kernels which are red, hard and vitreous have a very substantial protein content. And here we are still selling by grade, together with such premium for cash wheat as may exist either in Fort William or Vancouver. In the United States conditions are entirely different. Cash wheat in Chicago is almost always at a premium. You see, what happens there is this. We will say that a miller buys his supplies on the futures' market. Let us say that he wishes to have

that wheat ahead of its delivery date. What he does, then, is to exchange his option with his vendor; and then he goes into the cash wheat market where it is sold, not on grade, but on sample. Cash wheat there is bought on a sample market.

So at times it is very difficult to make quick comparisons between prices, we will say, in Winnipeg and Chicago. And it goes to this extent, that when the United States government were seeking not so very long ago to get wheat out of the farmers' bins, to use in their commitments to Europe, they were paying a premium there as high as twenty cents a bushel on wheat.

That brings me back to something I intend to say now, for fear I forget to say it later in dealing with another phase of the matter, namely, that the farmers today, both United States and Canadian, are in the best bargaining position they have ever been in. I say that in connection with my advocacy of giving the farmer an opportunity to have alternative methods of sale, so that he may get the best price.

We who live out west know that nearly all the agreements for sale are gone; nearly all the mortgages are gone. It is not like the days of 19-cent, 25-cent and 30-cent grain where a man needed cash, and sold his grain so that he and his family could eat. Those days have gone, and that must make a considerable difference in our thinking with respect to methods of marketing.

I now turn to coarse grains, and I should first like to put on the record the history of what has happened in connection with barley. I shall not bother with oats. What I shall now state will show what has happened in connection with barley in 1947. At this time I am reading from notes. I know it is a bad habit, but there are a great many figures in here and I simply am not capable of remembering them. The first phase in 1947 lasted from the beginning of the crop year until March 17, 1947. Ceiling prices remained as they had been first established in 1941: 51½ cents a bushel for oats and 64¼ cents a bushel for barley, with a ceiling of five cents a bushel on premiums for barley selected for malting.

Having used the word "malting", I think I should say something about malting barley. During the whole time that we have had ceilings, all barley was sold at ceiling prices. I am speaking broadly and I do not want to be corrected for one per cent or anything like that. As I say, all barley was sold at the ceiling, irrespective of grade and irrespective of whether it was malting barley. Many pounds and bushels of malting barley have