

Canadian Wheat Board

of farm products during the month of December, 1938, and this very item was discussed at some length at that time. Mr. G. E. Morris, vice-president of the Ogilvie Milling company, pointed out that the baker got 270 pounds of bread out of a 196-pound barrel of flour. Therefore, if the pound loaf of bread is reduced by one cent, and if that reduction is borne by the flour, flour must come down approximately 60 cents a bushel, which would accordingly be one cent a pound on bread. Other people who have made a study of this question in Ottawa are pointing out that if wheat were increased 60 cents a bushel, it would increase the pound loaf of bread by only one cent, and these arguments are well founded.

The late Mr. James Richardson, at this same discussion in Winnipeg, pointed out that the price of wheat made little difference in the price of the pound loaf of bread for the reason that there were many other factors, such as lard, butter, milk, yeast, shortening and so on, which had to be taken into consideration; and to-day the much discussed vegetable oils will enter into the question. It was also pointed out by Mr. Gourlay, of Dauphin, that on December 16 of the same year, in the town of Dauphin, the market price was 64 cents a bushel at the elevator, while on March 22, 1935, the market price was \$1.34 a bushel at the same elevator, and that on both occasions over the counter local bread sold at 7 cents per pound loaf.

During the past week officials representing the western union of municipalities have been in Ottawa to interview the wheat committee concerning this problem. The officials representing that western union are: Paul Farnells president of the Alberta union; J. G. Knox, president of the Saskatchewan union, and myself as president of the Manitoba union. We had a most courteous hearing from the Minister of Trade and Commerce and from other members of the committee, but I regret to say that we are not over hopeful of getting a satisfactory solution of our wheat problems at this time. I am satisfied that the Minister of Trade and Commerce is very much concerned about this matter, and if we did not obtain more favourable results the fault is not his. I have no doubt about that.

Many people may wonder why the officials of the western municipal union should be so concerned about the marketing of wheat at this time. I would point out that the municipal governments are closest to the people of the country and therefore they are exercised over the problem. They have to consider the general welfare of the people and

the prospects for their livelihood. They are also responsible to a great extent for the financing of education and the hospitalization facilities in their particular areas, and that is a matter of great importance. These services must be paid for out of municipal taxation. In this connection, I do not know whether we shall collect taxes with the marketing problem as I see it at the present time.

The success of any nation certainly depends upon the health and education of its people and therefore these municipal officials are vitally concerned at this moment. In the brief which they presented to the committee they asked first of all that the Canadian wheat board should handle the entire marketing of the 1940 crop, and also that the initial payment be at least 70 cents a bushel, the right being reserved to press for a fair and equitable price on a parity basis at a later date. As to parity prices, I put forward an argument in which I gave many statistics, which appeared in the *Hansard* report of the speech I made on the budget on June 27 wherein I discussed matters pertaining to this question, to show what the price ought to be.

Moreover, while speaking of a parity price I might point out that Mr. R. M. Evans, who is associated with the soil conservation board of the United States, attending this marketing conference in Winnipeg in December, 1938, stated that it was recognized by authorities in the United States that a parity price in the United States at that time was \$1.11, and I am satisfied that it has increased since then. They also asked for the establishment of an advisory committee to this wheat board, with adequate producer representation; also that a fair and reasonable rate be paid for farm storage, comparable with the cost of carrying such wheat in public storage or in the elevator. It may be that the price which will be paid for storage in elevators will be reduced in comparison to what we have paid in the past, and if a farmer is paid on that basis it should be satisfactory. They also asked for a policy for the establishment of a minimum price for wheat sold for home consumption in Canada at \$1 a bushel.

Hon. members will realize that the 15 cents a bushel processing tax announced by the minister yesterday would probably mean a price of 85 cents a bushel for consumption. I think that at the outside we could not count on more than 45 million bushels, which would be approximately ten per cent of the anticipated crop this year, being handled in that manner. On a parity price basis, we think that processing tax, instead of being 15 cents, would require to be from 35 to 55 cents, which might increase the cost of bread three-quarters of a cent a pound. We also