

Alberta where there was no crop upon which a bonus could be drawn. The result was that this parliament voted \$10,000,000 to take care of this area which had been dried out and which had no crop. By adopting a policy of paying a bonus in the early part of the season before anyone knew what the crop was going to be, the government of that day was forced to pay not only a bonus of five cents a bushel upon the enormous crop produced in the northern section of the country, but \$10,000,000 to those in the southern part of Saskatchewan who had no crop. I think it goes without saying that when this question was up for discussion in 1935, that is the reason why there was not one member of this house who proposed returning to the bonus per bushel method of giving assistance to western Canada in connection with any difficulties as a result of wheat growing. There was not a member of this house who proposed that because the results of the action taken in 1931 and 1932 were fresh in the memory of every member sitting in this house.

I make this statement in order to deal with a remark which was made this afternoon. The suggestion was made that the legislation passed in 1935 was not intended to deal with an emergency that existed for the time being. However, the records of *Hansard* will show that it was for that purpose, and that purpose alone. It was to deal with an emergency which existed in the country at that particular time. It was stated most definitely by the Prime Minister of that day that the government of Canada had the power by order in council under that legislation to stop its activities at any time, and that that power could be exercised by the government that would be in power after the election of 1935, whether it were Conservative or Liberal.

When the act of 1935 began to operate, we found by experience that it operated to take delivery of wheat only when the price set was higher than the world price. It operated for one purpose, and one purpose only, to pay a bonus of whatever number of cents formed the margin between the world price and the set price. We had our second experience with it in 1938. We paid a bonus of four cents a bushel to the farmers in 1935 under the legislation. It did not show the same weakness in 1935 as it did in the previous year, nor did it show the same weakness as in 1938. While the 1935 crop was rusted, it was fairly evenly distributed over the whole country and no great inequality resulted. There were no inequalities of any extent in its application. But in 1938 the difficulties

[Mr. Gardiner.]

of the bonus of 1931 were accentuated three or fourfold by the fact that the margin between the world price and the set price was about 15 or 20 cents a bushel. The inequalities of the bonus plan brought the government to the conclusion that some change should be made in the method of giving assistance under any legislation that we might introduce in this house.

Some reference has been made to the fact that a delegation from western Canada came to Ottawa in recent weeks in order to ask us to pay the 80 cent price again. I am not going to advocate that the farmers of western Canada should get less than 80 cents a bushel for their wheat, but I am going to state to this house what I stated on a previous occasion, that for the last thirty years the farmer of western Canada has had an average price of 95 cents a bushel for No. 1 northern at his farm. I am not in favour of setting up any system of marketing the crop of western Canada which will obtain for the farmers of the west over the period of the next thirty years a smaller average price for their wheat than has obtained for the last thirty years.

Mr. PERLEY: I suppose the minister will support my scheme.

Mr. GARDINER: I am not so sure that my hon. friend's scheme would get the result I desire. It was not his scheme that got the result of which I am speaking, it was a number of other plans.

I should like to make a few remarks with regard to the activities of those who have come here advocating a set price of 80 cents for our wheat. Before that agitation was started, the government had not announced the policy upon which it had been working ever since the report of the Turgeon commission was brought down. This policy had not been announced either to the people of Canada or to this House of Commons, but we had not been idle. We had met boards; we had met delegations of the different farm organizations in western Canada, and we had met those who were associated with other branches of the trade and discussed the problem pro and con in every way that it could be discussed. A conference was held in Winnipeg in December of last year, and I have here the report of its proceedings. As a result of the discussions that took place at that conference there have been certain references made to the cost of producing grain in western Canada and to other matters associated with wheat. I should like to read a statement made with regard to the present method of handling our wheat. This statement was