

Nor, may I add, does the 70 cents mean anything really worth while to the western farmer. The other evening the minister delivered what was in many respects an excellent speech, and a good outline. But as I sat and listened to him I felt he was really arguing for a set price very much higher than the initial price mentioned in the bill. I am quite sure most hon. members in the house overlooked one salient feature of what he was doing in those bills, namely not improving the situation for the western farmer but, in many instances, actually reducing the benefits and lowering the government's obligations under the acreage bonus plan. In other words, the original intention of the 60 cent price for No. 1 at Fort William was to set it at the lowest level to which wheat had fallen in 398 out of 400 years.

And now the outcry against this policy in western Canada which, may I add, is just as loud to-day against the new figure as it was against the old, has caused the government to increase the initial payment by ten cents per bushel. The minister must know, as do other hon. members, that it is not unlikely that the initial price of 70 cents at Fort William may be the maximum price. For in July next there will be a world surplus of at least 1,150,000,000 bushels. Of course all kinds of things may happen between now and the end of July to change that picture; but we have to consider the situation as it presents itself to-day. If we reap, or if there appears to be the chance of reaping, a moderately good crop in Canada and in the spring wheat areas of the United States, then I think the initial price will indeed also be the maximum price.

I object to this policy very largely because it does not guarantee what the farmers of western Canada have been asking for years, namely, the establishment of a national system of marketing under producers' control. It is true that we could not expect that from the government. The Liberal party was opposed to the permanent policy of marketing wheat through a wheat board and guaranteeing an adequate minimum price. Apparently the Liberal party still believes that we can rely upon the operation of the law of supply and demand, which to-day in a world of realities no longer operates over a very wide field. This was emphasized by the minister himself when he was discussing the question of storage, and was not discussing precisely the matter about which I am speaking at the moment. Speaking about storage he indicated that he

pinned his faith, in the final analysis, to the law of supply and demand. At page 2622 of *Hansard* he is reported to have said:

When there is an open market, the companies which have the wheat in store in Canada are anxious to dispose of it at a reasonable price and thus save carrying charges. That is, once they have taken delivery of wheat and have it in their storage facilities, they are naturally anxious to sell it at a price which will get them out of the transaction. Therefore, they become active agencies to sell the wheat.

It seemed to me when I heard those words that they indicated that the minister relied rather upon the buyer to set a price than upon the seller. And to my mind, in a world such as we live in to-day, that is bound to have disastrous results to unorganized groups of producers like our western farmers. If we contemplate the marketing of wheat in this manner in the future, I submit we are in for a period of very low prices.

In defence of this the minister said wheat was not a luxury food, and that it must be eaten in considerable quantities by working people, if it is being consumed at all. It must therefore be available at competitive prices. While that is true when I pick up, for example, the report of the speech delivered before the empire marketing conference held at Sydney last year by a gentleman who is now the Minister of Agriculture in Great Britain, I see very clearly that he and others present at that conference are fully aware of the disastrous consequences a philosophy of that kind can bring.

In other words, it seems to me, the minister believes that the western farmer must sell his wheat at the price offered him. No other country takes that attitude.

It seems to me the government of Canada is about to force upon the prairie farmer a policy of despair. And moreover, the minister himself condemned his own government's proposal on Friday last when at page 3644 of *Hansard* he is reported to have said:

... 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.

If with an average price of some \$1.15 per bushel at Fort William for over thirty years—for that is what a farm price of 95 cents means—the western farmer finds himself in a poverty-stricken condition, what will a price of 48 cents per bushel less do for him over a period of time? Shall I say that it would reduce him to a lower level than the subsistence level of the European peasant? Therefore, this house can see why we from western Canada now contend that an initial price of 80 cents per bushel for No. 1 northern at Fort William is the irreducible