

Prairie Farm Assistance

Second, 50 to 55 cents is below the cost of production on all except a small percentage of the best lands under most advantageous conditions. Professor Hope, quoted by the minister, states:

Conservatively it would probably require with average yields a farm price for wheat of average grade of about 90 cents, with coarse grains in proportion, to maintain a reasonable level of living and service the present debt on western farms. It would require somewhat more than this to restore the farming community to the condition of 1931.

Third, the development and expansion of western grain growing were encouraged by this government. I think we all can remember the active immigration policy which prevailed for some years. Agents were sent to eastern Canada, to Great Britain and to almost all the European countries, and we had a very large immigration based on the idea that there would be continued export markets. That immigration policy was so arranged that a great many areas of the poorer lands were settled. It was the idea that the whole west should be occupied in as brief a time as possible. That was the first general expansion.

Then there was the war-time expansion referred to by the minister. Undoubtedly great areas of land were broken up that would not have been broken up under normal circumstances. In the southern part of Saskatchewan this period coincided with an exceptional rainfall. There had not been such rainfall for many years before and we have not had such rainfall since that time. I do not think we can count on it.

Fourth, the curtailment of markets as a result of world conditions was admitted by the minister. It is no fault of the people of the west that this has taken place. If any particular body is to be blamed it is the dominion authorities. I do not say they are particularly at blame; it is a matter of world conditions over which, after all, this house has little control.

Fifth, unless there is war I believe these conditions are likely to continue for a good many years to come. Let me read from the report of the proceedings of the conference on markets for western farm products held in Winnipeg in December, 1938. On page 326, a summary of the discussions is given:

Then the question was asked, Has there been shrinkage in the world demand for wheat? The answer was, Yes. Within the last seven or eight years there was shown to be a shrinkage of about 200 million bushels per year in the demand from importing countries. This was considered to be the chief basic cause of the present problem.

Another question was, Is the annual production of wheat in the world being maintained? The answer was, Yes. In 1938 the crop

[Mr. Woodsworth.]

was the largest ever known in the history of the world. With the world import demand down, and the world export supply up, a third question scarcely needed an answer. That question was, Has the price of wheat declined in Canada? The answer was of course, Yes. The average price a year ago at Fort William was \$1.31—to-day it is about 60 cents on the open market. The guaranteed price of 80 cents means about 55 cents per bushel to the grower, for average grades. If farmers in the prairie provinces were receiving the open market price instead of the guaranteed price they would be getting but little more than 40 cents a bushel. It seemed a sad commentary on international trade relations when we were told that while these distressed prices obtained in western Canada the prices being paid in England, France, Germany and Italy ranged between \$1.30 and \$2.50 per bushel for inferior wheat of their own production.

It was then asked, Is this low price in the west likely to continue? The analysis of demand and supply as presented to the conference indicated that the demand continues to be down; that unless something is done to lessen production the supply is likely to remain high; that a large increase in carryover at the end of the year is probable, and that consequently low prices are again in prospect. We were told that at the end of July next there would be 1,100 million bushels of a world carryover of wheat, whereas the normal carryover is around 600 million bushels. Such an increase in surplus stocks inevitably spells low prices.

It was the view of the conference that the situation which I have just described represented the result of broad international trends; trends of interference with world trade; trends which were bearing heavily and unfavourably upon the wheat industry in Canada. It was the unanimous view also that the prairie provinces alone could not withstand the effects of this impact; it was felt that the nation must continue to deal with this extraordinary situation, with measures fitted to the urgency of the case at least until such time as the international trade picture has changed, or until such time as other adjustments can be made by which the wheat industry of Canada can be put on a better basis.

I am inclined to agree with that very careful statement. If so, I cannot think that we can call this situation an emergency, or that this proposed provision should be put on the basis of emergency legislation. In all probability the dry areas, or at least certain portions of the dry areas, will have to be abandoned and restored to grass, and I suggest that the sooner we do this the better.

Mr. EVANS: We are doing it.

Mr. WOODSWORTH: But doing it pretty slowly, and in the meantime the people are on relief.

Again, I would say that the fixed price should not be considered an emergency device, but under our present economy must continue for some time to come.

Sixth, the minister pleads that we owe something to the prairie people. I agree.