

Mr. E. E. PERLEY (Qu'Appelle): We have just listened to a very interesting statement and review of the situation from the Minister of Trade and Commerce (Mr. MacKinnon). To one who had advocated many of the principles now adopted for three or four years or more it is very interesting. As the minister has given a multiplicity of figures and has stated that his end of the question, so to speak, is related to what the Minister of Agriculture is going to say, I now move the adjournment of the debate.

Motion agreed to and debate adjourned.

## WHEAT

### MEASURE TO PROVIDE ACREAGE REDUCTION AND CERTAIN PAYMENTS TO FARMERS

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 12, respecting wheat acreage reduction.

He said: Mr. Speaker, when the measure which has just been moved to second reading by the Minister of Trade and Commerce (Mr. MacKinnon) and the one which I am about to move to second reading were in the resolution stage, it was arranged in the house that these bills should be brought to the point where they would appear on the order paper for second reading; that statements then would be made by the ministers concerned, and that in the discussion following some leeway would be allowed in order that it might not be necessary to deliver three speeches on the three bills that will be before the house. In accordance with that understanding it is my intention at the moment to discuss the three measures, one of which has been advanced on the order paper for second reading and the other two of which now stand for second reading. I shall try to confine my remarks to matters which may concern one or other of these three bills, as they may relate one to another.

The hon. member for Qu'Appelle (Mr. Perley) has just moved the adjournment of the debate on one of these measures. I presume that he and other hon. members are in a position to speak on the second reading of either this or the other bill, that someone will move the adjournment of the debate on this measure in due course, and that we shall attempt as far as possible to have only the one discussion dealing with all matters having to do with the wheat policy.

The action being taken in the house this session in relation to the handling of wheat and other grains is along the line of the policy laid down at the beginning of the war. I mention "other grains" because in his statement the Minister of Trade and Commerce

dealt with the handling not only of wheat but also of coarse grains and flax. The discussion therefore will deal with matters other than wheat. The bill providing for wheat acreage reduction also has to do with the production of coarse grains, so that it will be possible to discuss matters having to do with other farm products as well as wheat.

The action we are now taking is the final step in a policy which was laid down at the beginning of the war and which has been consistently adhered to up to the present time. It was stated then that before every war difficulties developed for agriculture, in countries which finally become involved in the war, and more particularly in countries which are suppliers of food commodities to the nations participating in the war. For that reason we in the Department of Agriculture in Canada have been very much concerned during the last two and a half years in developing the agricultural policy of this country to a point where increased prices and quantity would give reasonable returns to farmers. It was realized that prices of farm products were very low before the war. They were low during the first five-year period of preparation for war in Europe from 1930 to 1934. They were not quite so low during the second five-year period from 1935 to 1939. During the two years since the beginning of war prices have gradually advanced on all farm products excepting wheat. There are reasons why wheat should be the last to advance in price.

It will be remembered that just before war was declared, wheat had reached the low level of about 50 cents a bushel. Immediately following the declaration of war wheat gradually began to advance in price, and continued to do so until the spring of 1940. It reached the level of approximately 90 cents a bushel. After the fall of France, the price of wheat dropped very rapidly to the level of about 60 cents a bushel. That drop occurred in a very few days, and then the government of Canada, through the wheat board, pegged the price at 70 cents a bushel, where it has remained ever since.

I cite these facts with regard to wheat in order to indicate that when it was expected that France would continue in the war and that the battles of this war would be fought on the plains of northern France and in Belgium, as was the case in the last war, it was thought that there would be a fairly rapid advance in the price of wheat and that in due course wheat farmers would obtain reasonable prices for their product. But the war has not developed in that way. Up to the present time we have not been able to choose the battlefields. Our enemy has been choos-