

Hon. W. M. ASELTINE: Honourable senators, there is one point which I expected would be raised this evening, and, as it has not been mentioned, I shall take a few moments of your time to discuss it.

In my opinion this Bill was not necessary at all. Why should we need legislation fixing the initial price of wheat when there is already in existence a Wheat Board which has power at the beginning of any crop year to fix an initial price per bushel for wheat? Under the Act of 1935 this board consisted of three members and an advisory council of, I think, seven. In 1936 the Government made the mistake of doing away with the advisory council; nevertheless the board remained, and it still has power to fix, if necessary, the price of wheat. Why, then, do the Government bring in a Bill of this nature? Next August, after having given due consideration to world conditions and the price of wheat, the board would have all the power necessary to say whether the price should be fixed at 70 cents, 80 cents, 87½ cents, or any other figure it deemed proper.

I was glad indeed that the right honourable the leader on this side of the House (Right Hon. Mr. Meighen) gave an explanation with regard to what happened in 1917 and 1918. It is the opinion of the farmers of Western Canada that the Wheat Board was brought into being in the later years of the war for the purpose of preventing the price of wheat from going too high. Those people now argue that there is no reason why, either through the Wheat Board or by regulation, prices should not be kept from going too low. I say I am glad the right honourable gentleman gave his explanation, because there is misunderstanding in the West. I trust the newspapers will give his statement full publicity.

I agree to a greater or less extent with what was said by the honourable senator from Winnipeg South-Centre (Hon. Mr. Haig) and the honourable senator from Saskatchewan North (Hon. Mr. Horner). Like the honourable senator from Saskatchewan North, I have no objection to the industries of Eastern Canada being protected by a reasonable tariff. It is my experience that the changing of the tariff by 10 or 15 per cent does not make one bit of difference in the cost of the article involved. For instance, the duty on farm machinery was reduced to 7½ per cent by the present Government, but that reduction did not reduce the cost to us of farm implements. As a matter of fact, it is higher than ever before. The same thing happened in relation to binder twine: the

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duty was taken off entirely, but the cost of binder twine did not go down; if anything it went up.

Hon. Mr. HORNER: It went down for one year, long enough to put our manufacturers out of business, and then it went up.

Hon. Mr. ASELTINE: After the Canadian manufacturers ceased making it, the price went up. And that is the sort of thing that would happen if we took the duty off farm implements or anything else.

We are not objecting to industry being protected to a reasonable extent. We do not mind paying a little more for our automobiles, our farm machinery or other manufactured goods. We want Eastern Canada to be prosperous, but we also want something which will help us to pay our debts.

A statement was made in another place not long ago regarding the cost of producing wheat. It was said that it had been proven time and again that wheat could be grown in Western Canada at from 30 to 40 cents a bushel. I take exception to that statement. I do not think for a moment that wheat can be grown at that price. The statement was not clear as to whether the price mentioned was f.o.b. Fort William, Vancouver or elsewhere. If the price were 40 cents f.o.b. Fort William, 20 cents would have to be taken off that, and only 20 cents would be left for the producer. He cannot continue to grow wheat at that price. It is true that on a highly mechanized farm, where you have a Diesel tractor that will plough an acre at a cost of only a few cents for fuel, drills that will sow one hundred acres a day, and other machinery of the same class, you can grow wheat at a lower price than on a smaller farm; but to equip a farm to grow wheat at a very low cost requires at least \$10,000 capital for the purchase of machinery, and very few farmers in Western Canada can afford to make the investment. So I say wheat cannot be grown for 30 cents or 40 cents a bushel; neither can it be grown for 50 cents or 60 cents, and I do not think it can be grown for 80 cents.

Take the situation that existed last fall. From all appearances I had a good crop, but when the rust came and the grasshoppers were through with the crop, the wheat was graded No. 5 Special. If it had been graded No. 1, I might have made some money. Nearly all the wheat in our area graded No. 5 and some of it went for feed. We got 30 or 40 cents a bushel, and no one in Western Canada can grow wheat at that price and pay his debts. Like the honourable senators from Marquette (Hon. Mr. Mullins), Winnipeg