

factor in Canadian business at a time when the country as a whole was in the most critical situation of its history. I believe the contribution of agriculture during those years in maintaining and in many instances increasing its production, was an important factor in preserving our national solvency during that period. It is true that the farmer received little or nothing for his efforts, but he kept this great basic industry functioning at a time when other industries in Canada were faltering.

In his budget speech the Minister of Finance stated that the loss arising from the dominion guarantee of a price of 80 cents a bushel, basis No. 1 northern at Fort William, for the 1938 crop, had amounted to \$52,000,000. He also stated that the net cash deficit of the Canadian National Railways for 1938 amounted to \$54,314,000, and in addition the railways received certain subventions from the government. I should like to suggest that there are some 290,000 farmers on the prairies dependent for their livelihood upon agriculture, while 133,500 employes are dependent upon the functioning of our railways for their livelihood. In addition, I should like to remind hon. members that in 1913 the average salary received by railway employes was \$648, but in 1937 that average was \$1,375, whereas to-day the farmer receives considerably less for his work than he received in 1913. To-night figures were quoted, taking 1926 as the base year, and to-day that index stands at only 30 per cent for the farmer income.

As reported at page 2623 of *Hansard* for 1939 the Minister of Agriculture (Mr. Gardiner) stated that wheat could be produced at a cost of from 30 to 40 cents a bushel. I do not know how in the world those figures could be arrived at by any practical farmer. Moreover, those figures were based on an average of 20 bushels to the acre, which was most unfair. The average wheat yield for all Canada during the last twelve years has been 12.9 bushels an acre. I should like to quote from a cross-section test on the prairies, conducted by Doctor Hopkins of the federal Department of Agriculture in 1932, with regard to the cost of producing wheat. This information was obtained from certain farmers who had kept records, together with the records of the experimental farms, based on an average yield of 18 bushels to the acre:

Quarter section	Per bushel
1 man and 5 horses, threshing hired	\$1.02
Half section	
1 man and 7 horses.....	0.795
1 man, 15 horse power tractor and 2 horses	0.85

One section	
2 men and 14 horses.....	0.774
1 man, 15 horse power tractor and 2 horses	0.712
2 men, 6 horses, 15 horse power tractor and thresher.....	0.778
1 man, 15 horse power tractor, combine and truck	0.636
Two sections	
4 men, 28 horses, combine.....	0.642
1 man, 20 horse power tractor, combine and truck.....	0.554
Three sections	
2 men, 20 horse power tractor, combine and truck, land ploughed....	0.542
2 men, 20 horse power tractor, combine and truck, land one wayed..	0.511

As I said, that survey was conducted in 1932, when the cost of production was considerably less than it is to-day; and, of course, it was based on 18 bushels to the acre. Various other tests have been conducted throughout the country. I should like to refer to the work of Professor Hope, who is in charge of the department of farm management of the university of Saskatchewan. He points out that the average cost, plus interest on debt, throughout the province of Saskatchewan in recent years has been 91 cents a bushel, on the basis of an average yield of 14 bushels to the acre, which is still considerably higher than the average yield throughout Canada. If one takes into account to-day the higher cost of living brought about by the budget, it will advance those figures to considerably more than a dollar a bushel.

Professor Hope stated, as did Doctor Hopkins, in his survey, that the most economic unit to operate on the prairie provinces was a two-section power farm with tractor combine and truck, and that that is the most efficient wheat-producing unit it is possible to set up at this time. But less than one per cent of the farms in the west are as efficiently operated as that unit. I cannot recollect the exact figures, but I know the average farm operated in the west is in the neighbourhood of a half section. As a matter of fact, I think it is a little less than a half section. That is the basis upon which we have to consider the cost of production, so far as the average farmer of western Canada is concerned.

I have before me an article by J. E. Lattimer, professor of agricultural economics at Macdonald college. It deals with crops and wars. He has in this article a chart on which he gives some detail as to the acreage of improved farm land per farm worker in principal countries to date. These are the figures as of October, 1939: