

with the suggestion of an agricultural credit corporation. This is the same Mr. Beatty who has been urging us to increase our acreage and to bring in more immigrants. I should like to ask just a few questions, since I have not time to discuss the matter in detail. If it is necessary to have a \$5,000,000 credit corporation, what is wrong with the present banking system? It seems to me this is the greatest indictment that has been made as yet against the banking system of Canada, when conditions are such that even the Minister of Agriculture is quoted as saying in Montreal, on February 16:

Farmers with gilt-edged securities cannot get credit from financial institutions, even for buying steers to feed for a market for their coarse grains.

When that is true it is easily understood that there is a need for some other institution. I say this is a very serious indictment of our present banking monopoly.

Again I ask, why should this corporation be privately owned? How far would \$5,000,000 really go in setting us up in the west? Where are the markets for all the butter and eggs and coarse grains that we produce? Recently in many parts of the west eggs have been selling for 10 cents a dozen for fresh firsts. My hon. friend from Bow River (Mr. Garland) says they have sold for eight cents. I am speaking of the areas near the larger centres, while my hon. friend is from farther west. In addition to that, although we boast of our fine agricultural lands, almost half our entire wheat acreage in the west—the Winnipeg Free Press puts it at 11,000,000 acres out of a total of some 24,000,000 acres—is wholly unsuitable for mixed farming.

What are we going to do with that acreage? The Minister of Agriculture and also Mr. John I. McFarland, the general manager of the pool selling agency, urge a decreased acreage, but I would like to ask these gentlemen how far we should decrease. Should we go only to the limit of our own needs? If so, what would that mean? The western wheat field, in the twenty-five years since 1905, has grown from less than 5,000,000 acres to over 24,000,000 acres. What are we to do with all the surplus wheat land? Let me read an extract from one of the articles which appeared in the Manitoba Free Press:

...five million five hundred thousand acres would be ample to produce all the wheat Canada's present population could dispose of as bread, feed for stock, seed, and reasonable carry over. On the basis of the seeded area of 1930, which was 23,960,000 acres, this would leave over 18,000,000 acres of wheat land to be put to other uses.

What are we to do? Some of the farmers have suggested fixed wheat prices, pegged

wheat prices, and so on, and probably these matters will be discussed this session. On the face of it I would say that if other industries are to be bonused and helped in one way and another there is no reason why agriculture should not be helped also, but I do not regard that as an economic or permanent solution.

Further than that, we are told that we should have new markets. Where are they to be found? Let me point out that this is in line with something the Prime Minister said, but I do not think the figures are just the same. The British consumption of imported wheat is only about 190,000,000 bushels, while the Canadian surplus is 250,000,000 bushels and the Australian surplus is 100,000,000 bushels, a total surplus of 350,000,000 bushels of wheat. Where are we to dispose of that surplus unless we go outside the empire? We are told that we should have cheaper production. I suppose with careful organization we could put in more mechanization, but possibly that would lead to the production of even more wheat. I think the simpler way would be to cut down the cost of production, and to that I should like to refer again. But as soon as we suggest that, we are up against the fact that the present government is determined to increase the costs of production by way of a higher tariff.

There is also the question of lower freight rates, to which I shall refer later, but there again we are confronted by great obstacles. To conclude this brief review I would urge upon this house that the trouble is that the western farmers are really up against the proposition of world over-production. That is, they are producing more wheat than there is a market for at the present time or that there is purchasing power to buy. I should like to give two authorities on that point. An estimate by the Bristol Corn Trade Association places the exportable world surplus of wheat for the grain year ending July 1 last at 1,224,000,000 bushels and the total requirements of wheat importing countries of the world at 752,000,000 bushels. The National City Bank of New York, in a bulletin of December, 1930, places the crops for 1930-31 of the United States, Canada, Argentine and Australia at 1,831,000,000 bushels; the carry over at 496,000,000 bushels, making a total supply of 2,327,000,000 bushels, while the net imports of twenty European countries will amount only to from 580,000,000 to 650,000,000 bushels.

What does this mean? If it is a world condition there must be some sort of world