

Mr. PERLEY: No; there was no election in sight, none as near as we thought there was last fall. I am referring to the period when the bottom dropped out of the market. It was in the days when Mr. Dunning, then finance minister, made the statement in the house that our markets for wheat were practically gone. The only market remaining, he said, was the market in Britain, and in that market alone we had lost our sale of wheat, he said, by 243,000,000 bushels in the last year.

Then the system of stabilization was adopted and Mr. McFarland was called in. I think it is agreed by all that the operations which he undertook to stabilize the market during that period were necessary. He continued to operate during 1933 and to 1935, and then in the session of 1935 the wheat board act was passed. In some respects it did not go as far as some of the submissions that I had made. I had suggested that the real solution was a national marketing board, with wide powers, even to control all food grains, manufactured or unmanufactured, and to control the handling of wheat during the whole operations from the producer to the market. Had that system of control been inaugurated then, it would have been in operation during four or five of the most terrible years western Canada has experienced and we would have been in a much better position than we are in to-day.

I have referred to some of the submissions that I made to Mr. Bennett, and I am pleased to say that I was instrumental in getting some of them embodied into law when parliament passed the wheat board act in 1935. But it was not an easy matter. I had suggested to Mr. Bennett a domestic price for wheat, but I could not get him to accept that. I also had made several suggestions with regard to carrying and storage charges, but pressure was brought to bear by some of the interests and we did not get as far as I should have liked, but I am pleased to note that the act which was passed then is still the act which the farmers of western Canada want, and it is the act we are amending now.

We cannot continue on 70 cent wheat; the fixed price must be greater. I have here a few figures showing the cost of production in western Canada. The cost per acre is in the neighbourhood of \$8, and with a yield of twelve bushels a farmer would have to have a price of 67 cents a bushel or more, even to get back the cost of production. Our farmers cannot continue to produce at cost. Since these figures were compiled, the cost of production has risen.

Mr. CRERAR: Is the figure which the hon. member has quoted the average cost?

Mr. PERLEY: An average cost of about 67 cents a bushel to raise wheat in western Canada.

Mr. CRERAR: Is \$8 an acre the average cost?

Mr. PERLEY: Yes. That includes principal on the land, cost of machinery, capital investment—

Mr. MACDONALD (Brantford City): Give us the break-down.

Mr. PERLEY: It includes cost of preparing and planting, \$2.63; harvesting, \$2.46; hauling, 50 cents; incidentals, including possibly fertilizer or cost of spreading grasshopper bait, 14 cents; seed, \$1.19, on the average; these are average costs over a period of ten years. Then miscellaneous takes in several items; interest and so forth, \$2.29; then, assuming the land is rented, land rent counts for \$2.18, making a total of something over \$8.

Mr. MACDONALD (Brantford City): That comes to a good deal more than \$8.

Mr. PERLEY: It includes the cost of the land.

Mr. MACDONALD (Brantford City): You cannot charge rent and capital at the same time.

Mr. PERLEY: I am assuming that the landowner is working some of the land himself, as a great many do. The break-down amounts to between \$8 and \$9. The university of Saskatchewan figure for the cost of production is over 70 cents a bushel, and I think we are all agreed it is more than that.

Following the last war, prices went up and there is every indication and we hope that they will go up following this war.

I said at the outset that I agreed with certain principles set out in the minister's statement. I agreed with the idea of paying the farmer to store his wheat on the farm. My suggestion is to pay him one cent a bushel. I suggested that last year, and I remember the Minister of Mines and Resources asking me if I was speaking for myself. He said at that time that if I would guarantee that my leader would adopt the policy, they might underwrite it.

Mr. CRERAR: Oh, no.

Mr. PERLEY: Well, I have his statement here. "I am speaking for myself; I said so," was my answer.

The CHAIRMAN: Is the hon. member reading from *Hansard*?

Mr. PERLEY: I am reading from *Hansard*, 1939.