

continue living there. We have many scientists of one kind and another, experts in agriculture, and I believe the government should get these people together and evolve some policy to assist in that new economy which is coming to this country whether we like it or not. The other day it was pointed out by one hon. member that seldom was a war lost by a country having a surplus of foodstuffs on hand. We are fortunate in having the great surplus that at present exists in this country. I should like to quote what was said by Mr. Winston Churchill, Prime Minister of England, on August 20, 1940:

#### Wheat for Victory

We shall do our best to encourage the building up of reserves of food all over the world so that there will always be held before the eyes of the people of Europe, including—I say it deliberately—the German and Austrian peoples, the certainty that the shattering of nazi power will bring to them all immediate food, freedom and peace.

Mr. David Lloyd George, speaking quite recently, has made statements along similar lines. It is interesting to note that when Canadian farmers are endeavouring to better their conditions, one of their spokesmen in Great Britain, no less a personage than Mr. David Lloyd George had this to say, speaking as one farmer to others at a meeting held recently in Carnarvonshire:

We must see that the farmer gets a reasonable return; it is no use thinking you can compel him to cultivate his land to the utmost, you can't; you must make it worth his while, you must bring him along as a willing helper.

That is essential, for the security of the nation, according to Mr. Lloyd George. Furthermore, as proof of the fact that in Great Britain they consider agricultural products as munitions of war, I believe the British Minister of Agriculture puts in requisitions to the government of Great Britain, which are forwarded to the Minister of Munitions and Supply at Ottawa, for all agricultural implements required from Canada to be delivered in the old land. That is significant proof of the fact that they consider agricultural production as being in the same category as all other munitions of war.

I am much of the opinion that in these times, in connection with storage on grain surpluses, we are paying altogether too much to the grain trade. On February 19, order in council P.C. 1125 was passed permitting the grain trade to erect storage facilities at the head of the lakes for an additional 50,000,000 bushels of wheat. In that order in council they guarantee a certain period of storage, and also point out that the cost of construction may be written off in a period of two years. There is an additional provision

[Mr. J. A. Ross.]

whereby they may deduct 50 per cent a year in the filing of income tax returns.

May I remind the committee that when a farmer wishes to erect facilities for grain storage on his own farm, he must, when filing his income tax returns, spread the cost of that construction over twenty years. He is allowed a deduction of only 5 per cent, whereas by this government the grain trade is allowed 50 per cent. Certainly that is not very much encouragement for the producer to erect his own storage on his own farm.

Concerning what the grain trade has cost us in the handling of grain, I would quote from a speech delivered by the hon. member for Wood Mountain (Mr. Donnelly) at the last session. His speech is recorded in *Hansard* of July 25, at page 1960, as follows:

I should like to say a word with regard to the handling charges on wheat. These charges, to me, particularly this year, are absolutely ridiculous. I believe the handling charges during the past year were far too high. They may be all right with wheat at \$1.50 a bushel; they may be all right in ordinary years, when our elevators may be only partly full for a few months and almost empty for the rest of the year. But in a year like last year, when they were three-quarters full all year, and next year, when they will be full all year, these charges are absolutely ridiculous. Let me give the committee an example of what I mean. We are told that the amount paid by the board to the elevators for storage alone was something like \$14,612,000. That was on 318,000,000 bushels of wheat. There was an additional 100,000,000 bushels or so not handled by the board, so the total amount paid for storage alone by the grain trade and by the board must have been well over \$16,000,000. But there is something else in addition. The other day the statement was made that only one-third of the income of the elevators came from storage, the other two-thirds coming from other, additional charges. So there must have been another \$32,000,000 received from other sources, making in all something like \$50,000,000 paid for handling our wheat last year. If anyone tells me that is a reasonable amount to pay for the storage and handling of our wheat in one year, all I say is that he does not know the condition of our farmers. We sold something like 400,000,000 bushels, for which we received approximately 50 cents a bushel, or in round figures about \$200,000,000. But we paid \$50,000,000 or one-quarter of the selling price, just for the handling of that wheat.

Then, at page 1961 he is reported as follows:

All the act says is that the board of grain commissioners shall fix the maximum rates that may be charged for the handling, cleaning and storage of grain. If that board does not cut this price to the bone—I say it should be cut in two—then we should amend the Canada Grain Act in that respect, because I do not consider these prices either reasonable or right. I say that the cost of handling our wheat was \$50,000,000, not only on the authority of the statements I have mentioned but because of other statements I have heard to the effect that the