

Under the British wheat agreements we sold last year 160 million bushels of wheat to Great Britain at \$1.55 a bushel. In that deal the government admits it lost \$123 million; but I suggest that twice that amount of money was lost.

The government works out the loss in an ingenious way, by taking the average price throughout. That is not the proper basis. The farmer who sees wheat going up gradually in August and September is reluctant to sell his grain; he wants to hold it and let the price go higher. I do not believe that large stocks were held for that purpose, but even accepting the loss at the government's figure of \$123 million, it represents a huge sum to come out of the provinces of Manitoba, Saskatchewan and Alberta. For this year the loss has been estimated at \$335 million dollars.

Hon. A. L. BEAUBIEN: Whose estimate is that?

Hon. Mr. HAIG: That is Mr. Strange's figure, and he has been right every time so far.

Do honourable senators know what one who desires to purchase wheat for Italy, Spain or any country other than Great Britain, would be asked to pay today at the Winnipeg wheat pool? It is true there is not much wheat for sale, but when I left Winnipeg on Saturday I was quoted \$3.35 per bushel f.o.b. Fort William. Yet we are selling to Great Britain at \$1.55. By the agreement the farmers of Canada are losing \$1.80 per bushel.

Hon. Mr. PATERSON: May I interrupt my friend? I wish he would refer to the Wheat Board and not to the pool. The wheat pool is an entirely different organization.

Hon. Mr. HAIG: I stand corrected on that point. I should say the Wheat Board.

I am opposed to the compulsory board created by the government, but I have no objection to a man selling his wheat to a pool. If a farmer wishes to sell his grain to the N. M. Paterson Elevator Company, why should he not be allowed to do so? Some honourable members may not know that my friend from Thunder Bay is one of the biggest operators in western Canada.

I am criticizing the British wheat agreements because they create a peculiar situation.

Hon. Mr. EULER: May I ask my honourable friend if he is in favour of the Canadian citizen selling his product and making his money wherever he likes?

Hon. Mr. HAIG: My friend has butter on his mind.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: But if he will go along with me and criticize the government for what they are doing with cattle, hogs and grain, I am prepared to support him on the question of oleomargarine. First I want him to get up and criticize the government.

Hon. Mr. EULER: My friend and I might get together.

Hon. Mr. HAIG: We might, and I think it would be a good thing for Canada if we did.

Hon. Mr. A. L. BEAUBIEN: That is a bribe.

Hon. Mr. HAIG: Last year Canada produced about 400 million bushels of wheat, of which 160 million bushels went to Great Britain. Of the balance, 120 million to 150 million bushels were used in Canada for feed, seed and flour, leaving approximately 120 million bushels to be sold on the world market. That residue was sold at a wide margin of profit over the price of \$1.55 a bushel, and the board is now dividing the profits.

This year our crop will probably be from 300 million to 325 million bushels of contract grain. Out of that quantity 160 million bushels will go to Great Britain; 120 million bushels will go for our own use, leaving approximately 20 to 40 million bushels to be sold on the open market. On that basis our profits next year will be much lower than this year.

Before leaving the grain question I wish to tell honourable members that the people of this country are eating bread made of flour from wheat sold by the farmer at \$1.55 per bushel when the price on the grain exchange was \$3.35. Before the government took the subsidy off wheat the price to the miller was 77½ cents. As soon as the subsidy was taken off the price rose to \$1.55. If Canada uses 50 million bushels of wheat throughout the year, the farmers will lose at least 90 million dollars. We are eating bread from wheat which cost the farmer twice as much as he was paid for it and no one is complaining but the poor farmer.

I wish to refer to the subject of coarse grains, and in that connection I may be pardoned for using a personal illustration. A farmer came into my office around the first of October and said, "I owe a client of yours some money, and you have been after me for it." I replied, "I sure have been after you." When he said, "I will pay you the first of November", I questioned him as to why he should wait until then to pay the money. His reply was: "I have oats and barley in my granary, and I am going to hold them until the first of November because I hear that ceilings are coming off and the price will go up 30 to