

yet the fact remains, and we must face it, that farmers cannot grow wheat under present economic conditions for 70 cents a bushel, basis Fort William.

Mr. CRERAR: That is not right.

Mr. DOUGLAS (Weyburn): The minister says, that is not the fact, but the Dominion Bureau of Statistics shows what price the farmers have received for their wheat over a period of years. From 1930 to 1938, a period which includes the depression years, the farmer received 56 cents a bushel. The year before last, 1938-39, the farmer received 59 cents a bushel, and last year, 49 cents, the lowest yet, for average grade at point of production. The bureau of statistics shows that the 30-year average wheat price has been 93½ cents a bushel at the point of production. With costs on the upward trend the western farmer is facing a financial loss with wheat at 49 cents a bushel.

Mr. McNEVIN: Is it not true that the 30-year average price includes the high-price war years?

Mr. DOUGLAS (Weyburn): Yes, and the 1930-38 average price includes the worst depression years, the average price in that period being 56 cents. Here we are with prices rising on almost everything the farmer has to buy, and a 10 per cent duty now placed on goods coming in from the United States, and the farmer is expected to produce at 49 cents a bushel, average grade at point of production. I say it cannot be done. It can be done perhaps by a small select group of farmers who have large mechanized units, a man with a two-section farm highly mechanized, but according to Professor Hope that group comprises only about one per cent of the farmers in Saskatchewan. The large farmers can perhaps produce economically at that figure; but for the small farmer, the man who makes a home of his farm and is running not a wheat factory but a small farm of a quarter or half section, farming with horses and partly with tractors, it is going to be increasingly impossible to produce at 49 cents a bushel, and someone near me suggests it is going to be even worse for the mixed farmer.

The government ought to give consideration to the possibility of fixing a price commensurate with the cost of production for the first 1,000 or 2,000 bushels, and then tapering off the price as larger quantities are delivered. Otherwise the great mass of farmers who operate small farms are not going to be able to farm economically at this price.

There are one or two matters upon which I hope the minister will enlighten the committee,

either on the resolution or when we come to the bill. In his statement yesterday, speaking of the delivery of wheat to the wheat board, he said:

This plan will enable every producer to deliver a portion of his crop at the outset. The amount to be delivered will be based on the total available supplies of wheat and the available storage space. As the season progresses this quota will be advanced as exports and other outlets ease the storage situation. In brief, the plan is to use all storage space, country and terminal, east and west to the best advantage of all producers.

For that portion of the crop which cannot be accepted during the fall months the government recommends that an allowance be made to the producer to compensate him for the storing of wheat on his own farm.

I think that is an excellent suggestion, but we need to know one or two things. We ought to know first of all what the farmer will receive for that portion of his wheat which he does not deliver to the wheat board in the fall. The minister said that the farmer will be compensated for storage. But will the government give him an advance on that wheat? Will they buy it outright and the farmer store it on his farm for the board? Most of these farmers, unless the initial amount of wheat they are allowed to sell to the board is fairly large, will not have sufficient cash to carry on their operations. I ask the minister to tell us now or later how the financing will be done. Will the farmer who keeps his wheat on his farm get an advance on it, or will he be paid outright for it and receive a storage allowance?

Mr. CRERAR: Would my hon. friend recommend that that be done?

Mr. DOUGLAS (Weyburn): Recommend that what be done?

Mr. CRERAR: Would my hon. friend recommend that the government buy the grain outright and store it on the farm?

Mr. DOUGLAS (Weyburn): No, but what the government could do is pay a substantial advance.

Mr. CRERAR: I am asking what my hon. friend would recommend.

Mr. DOUGLAS (Weyburn): I am recommending to the minister that a substantial advance be made to the farmer, sufficient to enable him to finance. That is, if he is going to be allowed to sell only a certain amount of wheat in the fall, and he has to carry the rest, he can carry it only if there is a sufficient cash advancement to enable him to carry on his fall operations, be ready for his spring operations, and provide for his family in the winter. Is the Minister of