

more unemployed there are to feed and look after, and in many respects the poorer are we financially. Every precaution, of course, could be and should be taken against any dangers of inflation, and I have not the slightest doubt in my mind that that could be taken care of.

The proposal I have put forward, which I might say is not new, is one on which I stand absolutely. It is criticized by those who have not looked into the subject, on the ground that it would lead to inflation, but I am confident that we could quite safely guard against that difficulty.

In closing, Mr. Speaker, may I remind the house that the solution of the problems I have mentioned are entirely in our own hands. This parliament is all powerful. If it has not got the power, it can take it. The crisis through which we have been passing in the last five years is a man made crisis, and as a man made crisis can be man mended. Parliament will be held responsible to get us out of our present difficulties. If it fails to do so, the fault lies with parliament, and no doubt parliament will be blamed by the people of this country.

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, the hon. member for Battle River (Mr. Spencer) has asked the very important question, what about the farmer? To that largely I desire to address myself in my remarks this evening, and particularly so because of the remarks made by the official financial critic, the hon. member for Shelburne-Yarmouth (Mr. Ralston), in regard to the wheat situation in this country.

May I point out to him and to the house that before this government came into power the wheat markets of the world were already closed. On August 1, 1930, the duties against our wheat going to Italy were 86 cents, France 85 cents, Germany 97 cents, Greece 56 cents, the United States 42 cents and Japan 34 cents. May I indicate to the house as well that these duties are so high that it matters not whether you increase them by two dollars; the result is precisely the same. They are so high already that no wheat can enter those countries. In addition to that, there were restrictions on imports in Europe, and quotas, which made it entirely impossible for us to ship our wheat to those countries.

Mr. John I. McFarland was appointed to handle the wheat situation on behalf of the central selling agency on November 24, 1930. At that time the price of wheat in Canada was the lowest in the history of this country. It was then hovering around fifty cents a bushel.

The federal government immediately guaranteed the banks against any loss in supporting the market, on behalf not only of the western wheat grower but of the people of Canada from one end to the other. Since 1930 the federal government have been supporting the wheat market. In 1934 not only did they continue that support but they pegged the price at seventy-five cents a bushel for No. 1 northern at Fort William. By that pegging, in addition to the support which they had previously given, they increased the price at that time by sixteen cents a bushel over the price of the previous year.

May I point out that at the present time European imports are the lowest they have been in thirty years, due to the tariffs which were put on as I have indicated, to restrictions in regard to quotas, and to the milling regulations.

May I point out to those in this house and in the country who advance the argument that we should dump our wheat on the markets of the world, take our loss and get out of the market, as the hon. member for Shelburne-Yarmouth indicated on behalf of the official opposition, that forced sales of wheat still form part of the world's carry-over whether that wheat is here or whether it is in Europe. It matters not how much wheat we sell to Europe; if it is held in Europe in store it still remains part of the world's carry-over; it still remains hanging over the markets of the world. Therefore forced sales do not, as has been indicated, reduce the carry-over.

It will be well within the memory of this house that Mr. John I. McFarland appeared before the banking and commerce committee in 1934 and gave evidence with regard to his operations. Many on the opposition side indicated that he was gambling in the wheat of this country and that he was gambling with the taxpayers' money. May I quote what Mr. McFarland said at the conclusion of his evidence, when he had convinced most of those people who stood before him, and who previously were his critics. He said:

But if you will only realize that in these three years, or a little more than three years, the western farmer has marketed upwards of one billion bushels of wheat—and he has marketed that under these operations—and again nobody knows to what extent he has profited on a billion bushels; I do not know what he has profited, but \$100,000,000 would be a small guess, and all that has gone to the benefit not of the western farmer only, but to Canada as a whole.

How can anybody complacently stand by and see the western farmer eliminated when he has contributed some 31 or 32 per cent of the external trade of this country for the last twenty years? Could we stand by and let him