

ever, of preventing the sale of wheat at prices below the minimum. Any farmer, however, who has less than 5,000 bushels may deliver his wheat to the board and receive 70 cents a bushel basis No. 1 northern Fort William; or any farmer who has over 5,000 bushels may deliver the surplus to the pools set up under the Cooperative Marketing Act, or place orders for the sale of his wheat with any elevator company. This will be sold when and if a demand arises at or about the minimum price.

It should be clearly understood that this is merely a temporary measure in order to stabilize the situation pending a decision as to what method shall be followed in handling the new crop. These minimum prices have been fixed up to December 31 for the reason that at the present time the December future is open for trading. Consequently cash prices must be fixed until the end of December, in order to make the minimum price system effective on forward sales. The fact that this has been done has no bearing on any action that may be taken regarding the new crop.

Further I would say that consideration is being given by the government and the wheat board to the method of handling the new crop. A decision cannot be made at this time, in the opinion of those advising us, on account of a number of factors which will enter into the situation between now and the beginning of the marketing of the new crop, such as the development of the present growing crop, the general war situation and its effect on the probable demand this coming year, plus the effect of growing crops in other parts of the world, particularly the United States. The situation is being carefully watched from day to day, and a decision on the method of marketing the new crop will be made as early as possible.

Mr. PERLEY: Would the minister tell us who are the advisers of the government whom he just mentioned? Also why is it necessary for the elevator companies to hedge their grain if they are not buying it? It all goes to the government, or on the government account; there is no responsibility.

Mr. GARDINER: What they take is the surplus over 5,000 bushels.

Mr. PERLEY: They take the grain in at the 70-cent price on government account.

Mr. ROSS (Moose Jaw): No.

Mr. PERLEY: What do they do?

Mr. ROSS (Moose Jaw): It depends on whether they are taking it for the board or the open market.

Mr. PERLEY: They are taking it all for the government.

Mr. GARDINER: They cannot take anything over 5,000 bushels for the government; this has to do only with over 5,000 bushels.

Mr. MacKINNON (Edmonton West): When I referred to the advisers of the government I referred to the wheat board.

Mr. T. C. DOUGLAS (Weyburn): A discussion of agricultural marketing in general, and marketing of wheat in particular, has been long overdue in this house. We have waited now for some six weeks, hoping to have a statement from the minister and to have the policy of the government outlined, but so far without any great result. The hon. member for Qu'Appelle (Mr. Perley) has rendered a service, particularly to western Canada, by raising this matter this afternoon. I am only sorry that the minister did not give a fuller answer, and a fuller insight into what the government's policy is to be.

I need hardly remind hon. members that west of the great lakes wheat is still king, because our climate and topographical features are such that our economic welfare is irretrievably bound up with the growing and marketing of wheat. A favourable wheat marketing policy means reasonable prosperity for western Canada. Lack of such a policy means bankruptcy, not only for some three hundred thousand wheat producers but also for those other thousands of individuals and many organizations whose livelihood is bound up with the prosperity of the prairie farmer. With those facts in mind I want briefly to outline the wheat marketing policy that has been in vogue during the last few years.

In 1935 there was brought down in this house the Canada Wheat Board Act, which in its original draft provided for the sale of all wheat to the wheat board, the farmer to receive an initial guaranteed price and a participation certificate. It was the present Minister of Finance (Mr. Ralston) who led the opposition at that time to the compulsory features in that legislation. When that act finally passed this house, it provided that the farmer could deliver his wheat either to the wheat board or to the open market. If he sold his wheat to the wheat board he was to receive an initial payment, which was later set at 87½ cents, and a participation certificate.

In 1936, this government having come to power, an order in council was passed on August 28 which prohibited the farmer from delivering his wheat to the wheat board if the price at Fort William was above 90 cents