

of that money will be expended in the neighbourhood of our great cities, to which much of our dairy products are being sent. The real reason for the expenditure of that money is to take care of the health of our people in those areas, and at the same time pay some remuneration to the farmers who have to remove from their herds cattle that are affected with tuberculosis.

I think it is only fair to make that statement in order that when we are discussing the costs that have been placed on the treasury of Canada by the activities associated with the different sections of our agriculture we may have full information. We have always collected, on the wheat that passed through Fort William, fees sufficient to cover all the grading activities, the activities having to do with inspection, with regulating the trade; and I think I can say that it is the only branch of agricultural industry in Canada which has paid its way from the beginning right down to 1935 in connection with all activities of government.

In 1935, the treasury took a loss which approximates one-third of the amount which has been expended on the live stock industry alone as associated with agriculture in this country over the last ten years. We do not yet know the results of our activities during the present year. At the moment it would appear that we may have to take a considerable loss. The Minister of Finance in his budget speech estimated the loss at \$25,000,000. As prices at the moment are advancing, that promises to be a reasonable estimate of the losses which may be taken in connection with the wheat that has been accumulated by the wheat board during this year.

In proceeding to discuss the necessity for legislation at this time to deal with the difficulties of the farmers of western Canada, which may result in the expenditure of some money, I think I should recall some of the causes of the difficulties that have been experienced recently in connection with the grain trade. We have been taken to task, both outside this house and inside, once or twice during this session, for having referred from time to time to world conditions which have brought about much of the present difficulty in connection with agriculture in Canada. But I think no one who has made a study of these problems will deny that by far the greater part of the causes of the difficulties we are experiencing in connection with agriculture are a result of world conditions, and more particularly conditions existing on the European continent. And that brings me to this statement, that there is associated with agriculture on the European

[Mr. Gardiner.]

continent at present a system of organized government control which prevails only because of the great uncertainties that exist with regard to future political relationships among the countries of Europe, as they are associated with Great Britain herself. When one examines the conditions existing in France, Germany, Italy or Great Britain, which were previously the four best markets for our Canadian wheat, one can understand in large measure the reasons for the difficulty that the wheat grower in Canada is having at the present time. Some people have said that we could exchange wheat with Germany as a matter of barter, and obtain from Germany machines and manufactures and textiles that we require in this country. Without discussing the pros and cons as to whether we should carry on a barter of that kind at this time, I think I am in agreement with all who have made close study of the question when I say that Germany at the present time would not barter with Canada or any other democratic country for any foodstuffs that she can provide within her own boundary lines.

An hon. MEMBER: She would be foolish if she did.

Mr. GARDINER: Nor would she barter for any foodstuffs that she might otherwise require or that her people might desire to have, if she can provide substitutes for that particular type of food. One of my hon. friends over here says she would be foolish to do otherwise. Well, I should like to call his attention to the fact that for a long time the human race has been looking for some means of making available to those living in different parts of the world products which they themselves cannot produce, at a cost which would permit those products to be consumed. There is only one reason why we have eleven million people living in Canada at the present time as against the few Indians who lived here before the white man came. That is the fact that we trade with other people, that we go to the uttermost ends of the earth to get those things we desire to have in order that we may live in that state of comfort and security that we as human beings desire. My hon. friends who live in Alberta come to eastern Canada and suggest that if they are ever to be able to pay their debts they must be able to sell their coal, and they associate that with the great wheat problem of the west. They come to Ottawa and tell us as a government that we should make it possible to ship the coal of Alberta all the way down to Ontario, and that if this could be done, Alberta would be able to pay its debts.