

bushels from the one hundred acres. Of that two thousand bushels the government will take only two-thirds, or 1,333 bushels, which at 15 cents a bushel would amount to \$199.80, or almost equal to the summer-fallow bonus. This will leave me 666 bushels, which the government does not want. What is the farmer going to do with those 666 bushels of wheat? Well, he will just put them in his granary. Can you think of any form of crop insurance, Mr. Chairman, that would stand a man in better stead than a binful of wheat; and can you think of anything that would bring this problem to the mind of the farmer more vividly than to find himself with a binful of wheat which he could not deliver? The next year he would hesitate before putting in much more wheat.

The coarse grain bonus is, I think, the most attractive of the three proposals. If I have to make a decision between summer-fallowing, sowing to grass or sowing to coarse grains, I will sow to coarse grains. If I take one hundred acres of summer-fallow, I can produce forty-five bushels to the acre. We usually sow barley on the second crop, some of it on the poorest land we have; but if we sow barley on the good summer-fallow, we can just double the bushelage of barley in this country right under this very plan. If we do that, what will be the result? We are just going to have the wheat problem transferred to a barley or some other coarse grain problem. That result is inevitable.

I believe the bonus relative to pasture land has some merit, but it is a long-range programme. It is something which cannot be of much benefit to the farmers this year, beyond the \$2 bonus which is to be paid. There is certainly room in Canada for more grass land; that is where diversified farming comes in. We could develop our cattle industry and our sheep industry away beyond its present size, if that development were permitted. The other evening and afternoon when I listened to some of my good friends on the Conservative side of the house arguing that there should be more restrictions on trade with the United States—they referred particularly to fresh fruits—and when they were told by the Minister of Finance that such restrictions would endanger the Canada-United States trade agreement, I could not help thinking they had not realized what that agreement meant to western Canada—yes, to the whole of Canada.

In these days, statesmen do not talk about restrictions in trade. The tendency is altogether the other way. Men are talking about cooperation, and the possibility of removing

barriers of trade between nations. The United States trade agreement of 1936 and again renewed in 1939, proved a godsend to the cattle raisers of Canada. Where would we be to-day, with our markets across the ocean shut off, were it not for that trade agreement? Now that we have not the market in the old country, where would we be if we did not have that outlet to the south? Some will argue, "You cannot even fill your quota." No, we cannot; but that outlet is removing the surplus from the domestic market, and assures us of a higher price all round. There is no doubt about that.

It is wrong, therefore, for us to suggest anything which would interfere with the Canada-United States trade agreement. That arrangement stands out as an oasis in a desert, so far as the legislation of this government is concerned. The farmers' position is not good, and I am satisfied it is not going to be any better under this new policy. The farmers are willing to shoulder their responsibilities in this war. They are willing to pull more than their weight, and, indeed, they are doing so. But why should farmers be asked to be the shock-absorbers of the whole nation? That is what has happened. All other prices are rising. Look at the profits being paid by every company in Canada, and then look at the position of agriculture, the basic, backbone industry of the country.

Farmers cannot do other than keep on tilling the soil; that is their occupation. We cannot pull up stakes and go somewhere else. We just have to keep on going, whether we do or do not receive a fair price, and take our chance on the next crop. I find, upon looking into figures received by farmers in recent years, that although those living on the land comprise one-third of our population, they enjoy only ten per cent of the national income. Nevertheless, while agriculture is not prospering, many secondary industries, founded upon the work of the agriculturists, are making money.

I shall mention some of those industries. Take the meat packers, the milling companies, the farm machinery companies and the grain trade. Each of those industries is dependent upon agriculture, and to-day each is prospering. Why? Because they can transfer their energies to something else.

I have before me figures showing that in 1939 Canada Packers had a net surplus of \$1,238,736, and, in 1940, a net surplus of \$1,667,809. In 1939 Swift Canadian had a net surplus of \$376,598, and in 1940, \$394,109. Lake of the Woods Milling company is a firm which has suffered in recent years, but,