

the difficulty experienced by all those concerned in trying to get down from a very high fixed price, set up first during the war years, and later maintained in the years of the operations of the pools while prices were comparatively high, had a great deal to do with making it impossible for the pools to operate from 1930-31 to the present time. I believe most people will say that it was about the only thing that made it impossible for the pools to operate.

Again, I think it will be agreed by all those who have made a close study of the situation this year that one of the greatest difficulties experienced in connection with the wheat board as set up first under Mr. McFarland and operated later under Mr. Murray and now under Mr. McIvor, in the endeavour to establish that method as a permanent means of marketing our grain, has been the fact that of necessity at the beginning we set up a price closely associated with the world price of the day. That price was 87½ cents, and the price throughout that season hovered about that particular level.

I may be asked to-night why it was that 87½ cents was set, and I would answer that there are men in this house who have a much closer knowledge of the reason for it than I have. Nevertheless I think I can say, judging from the discussions that took place in the House of Commons prior to the setting up of the board, that one of the chief reasons was the desire to see to it that the considerable surplus which had accumulated in the hands of the board during the period of stabilization activities, did not interfere with the marketing of the crop of 1935. The government of that day, after the discussions which took place in the house, concluded that since there was not going to be a compulsory marketing board known as the Canadian grain board, and since there was going to be a voluntary board operating, in the interests of those who were producing a crop in 1935, with a carry-over of 205,000,000 bushels or almost a normal year's crop, they should not suffer in price as a result of the fact that the wheat was being disposed of partly during that year and partly during succeeding years. But whether or not that is the case, the result was that during 1935 a very considerable proportion of the carry-over of the previous years and of the wheat that had accumulated during 1935 was sold on the world markets, to the volume of some 254,000,000 bushels. In selling that wheat the government was compelled to take a little more than four cents a bushel below the price that had been paid to the farmers throughout the year, resulting in a loss to

the board of something over \$6,200,000. In addition, there was a carrying cost of \$5,600,000, making a total of \$11,800,000 that was associated with the loss the government took in connection with the 1935 crop.

Mr. LAWSON: In respect of that portion which was sold.

Mr. GARDINER: Yes, of which all but 2,000,000 bushels was sold during that year.

I think it necessary at this point to make reference to some criticisms which were made in the house to-day and yesterday with regard to the expense that the wheat grower of western Canada has been to the Dominion of Canada, compared with the expense that other branches of agriculture have been to the dominion. Down to 1935, or, I might say, down to the present year, the only losses that the government of Canada has taken in connection with the marketing of the wheat crop of western Canada were taken in 1935. Those losses amounted to a total of \$11,800,000. During the last ten years the government of Canada has spent \$36,800,000 on the live stock industry of this country. That is an average of over \$3,000,000 a year spent on the live stock industry, and every dollar of that money has been taken out of the taxes collected by the government of Canada from all the people of Canada. Of that money, \$27,500,000 was spent east of Winnipeg and \$9,300,000 was spent west of Winnipeg. In other words, the government of Canada, no matter what government was in power, have during the past ten years never lost sight of the fact that the live stock industry, and associated with it the production of dairy products, is one of the most important sections of agriculture in this country. They have recognized their obligation in connection with this section of agriculture by spending continuously throughout these years an average of over \$3,000,000 a year. And I may say that the amount which has been spent this year and which will be spent next year under the estimates that have gone through this house will be considerably more than the average which has been spent over the past ten years.

As a matter of fact, if we do what we have been asked to do up to date and what we have made at least partial preparation for doing in the estimates that have gone through or will go through, we shall this year spend in the neighbourhood of a million dollars on one activity alone in connection with the live stock industry of this country, namely, in connection with the eradication of tuberculosis from our herds of cattle from one end of Canada to the other. And the greater part