

*International Wheat Agreement*

is the lifeblood of the prairies. I feel that is largely because we are still tied to a one product economy on the prairies. Wheat is our basic production. It is due to this fact that following the disturbing economic effects of the depression we had to resort to the wheat board in order to bring about some semblance of stability in the marketing of our grain.

Western Canada could not afford to continue to go through the period of fluctuations that have been peculiar to our economy up until fairly recent times. This afternoon we have heard various members express themselves pro and con about the wheat board. I think it is inevitable, when you are tied to a one product economy such as we are on the prairies, to have to resort to the board method of marketing in order to avoid economic instability and wild price fluctuations. It is well known to hon. members of the house that the laissez-faire principle of economics has been operating in very few areas, if it operates in any at the present time. The government moves into more and more phases of our economy.

That being so in more stable areas of marketing, in the area of wheat marketing where you are subject to all the vagaries and fluctuations of nature, where you cannot control supply to any great extent, I think it is inevitable that we must depend upon the wheat board principle of marketing until such time as we reach a more balanced and mature level of economic activity in the western part of Canada.

There have not been any really severe criticisms of the terms of the agreement that I have heard expressed in this chamber this afternoon. There have been mild references to the fact that Britain is abstaining from the agreement, and also to the maximum and minimum prices. I think we have to agree that the long period of time which was spent by the negotiators, both in London and in Washington, can only indicate that they considered every possible aspect and angle of the agreement.

I should like to add my voice to those of others in the remarks that have been made concerning Britain's position with respect to this agreement. Britain's failure to enter the agreement at the present time is one of the most disturbing aspects of the whole arrangement. As several hon. members have indicated, this fact must be related to the severe economic problems, such as the sterling problem, from which Britain is suffering at the present time, and it must also be related to the fact that, so far as the production of wheat is concerned, the world at the present time is moving into a surplus condition. Britain is no doubt hoping that she will be able to

negotiate more favourable terms by operating in the open market. I should like to add my voice to those of the other hon. members who have spoken and expressed the opinion that every effort should be made to bring Britain into the agreement.

There is another difficulty that relates itself to the specific terms of the agreement. The farmers are faced with rising costs at the present time. These rising costs are largely associated with the increasing necessity of moving towards the mechanization of our farm operations. It is significant, I feel, that in the past six years the farm debt has increased from \$3 million to something like \$100 million, and that 92 per cent of that indebtedness has been incurred because of the necessity for purchasing farm machinery.

At the other end of the problem you have the decreasing prices of agricultural products generally, a situation which is placing the farmer—and the prairie farmer in particular—in a rather embarrassing financial position. It is because of this that some farm groups are protesting the minimum price provided in the arrangement. A floor price of \$1.55 has been established. There have been strong representations that the farm economy, with the present cost of carrying on farm operations, cannot endure a minimum of less than \$1.75 per bushel. Certainly the minimum price of \$1.55 represents a disaster price level rather than a floor price level.

The fact that we have so many farm groups disturbed over agricultural matters in the country at the present time gives, I think, a strong reason for the calling together of the agriculture committee to discuss these general problems; I refer to problems outside of the direct consideration of the international wheat agreement. It had been the hope of the western members that the committee would be called together long before this time, but such has not been the case. This basic problem that I have outlined—that of increasing costs and declining income—is something that will have to be met if our prairie economy—which, as I have indicated, is almost exclusively dependent upon the well-being of the farmer—is not going to reach an extremely critical state of affairs.

In summing up may I say it seems to me that the whole principle of the international wheat agreement is to provide some basis of security and stability for our wheat growers. At the same time I would like to emphasize that I think the principle which should operate in negotiating any arrangement of this kind should be to ensure and guarantee that the security obtained and the benefits derived are commensurate with the necessary sacrifice in price that has to be made.