

*International Wheat Agreement*

they finally came to an agreement. Regardless of what the farmers' union president or anyone else says, I think it is agreed by all parties in this house that this deal is going to be a good deal for Canada. It is a tragic thing that Britain has not signed it. It would be tragic for Canada if we lost 182 million bushels of export wheat every year, a total of about 540 million bushels or a loss of \$1,080 million. It would not be good for us. As the member for Kindersley pointed out, by the wheat board marketing system we have a method whereby we can hold this wheat for a while and we would not have to dump it on the market.

I think it would be only fair to say, Mr. Speaker, that after all these negotiations the exporting nations have arrived at a price which is not so high that it would encourage the other nations to grow wheat. In other words, those countries that are buying our wheat today would not buy it if the price were very much higher. For example, in the case of France, she would turn over, to the growing of wheat, land that is now devoted to growing grapes. If we continue selling these countries our wheat at a price which they can afford to pay, then we will not have to be discouraged about the future.

So far as the domestic price of wheat is concerned, I disagree with the present price and I think I can give my reasons. In giving my reasons, Mr. Speaker, in order to substantiate my story, I shall have to refer to freight rates and other things that the farmers have to buy. On March 9, an announcement was made by the board of transport commissioners to the effect that they were granting the railways a further 7 per cent increase in freight rates. This was the fifth increase since 1947, and made the total increases around 92.2 per cent. Mr. Speaker, this places an unbearable share of freight costs squarely on the shoulders of the eastern and the western provinces. True as it may be that revenue must be found to meet these increased costs, it is unthinkable that the poorer provinces and their people should be taxed by further increases. No doubt all provinces but Ontario and Quebec will vigorously protest, and rightly so. The reason that the two central provinces do not protest is that nearly all heavy industry is situated or located there.

Mr. Speaker, farmers in western Canada pay the freight on their own grain to Fort William, Churchill, Vancouver and other ports. They also pay the freight over and above the cost of whatever they purchase from time to time. All consumers plus the farmers of the west and the east are affected. They must pay the cost of the article plus the freight to its destination. Canned goods, steel furniture and farm implements are

mostly manufactured in the two central provinces, namely Ontario and Quebec; therefore the eastern and the western provinces are forced to pay the cost of long freight hauls. Both consumers and farmers in the two central provinces have a decided and definite advantage over their fellow men in the east and in the west owing to the fact that they are close to the source of manufacture and do not suffer heavy freight costs. Competition is keen in the two central provinces. There is stiff competition to meet the truck companies and water transportation. Again I say that they have a decided advantage owing to their geographic locations.

Mr. Speaker, if we are to expand the production of the east and the west; if we are to encourage people to continue to live in the east and the west; and if we are to discourage the ever-growing trend of eastern and western people to leave these provinces, it seems only logical and reasonable that further consideration must be given immediately to equalizing the freight load for the producers and primary producers of the east and the west.

In view of what I have said, if the consumers of Canada were to pay an additional 15 cents per bushel—which would mean about \$11 million for the treasury of Canada per year—I think that would compensate to some extent the loss which the farmers are being put to by these heavy costs for long rail hauls.

It is true that there are almost 1½ billion bushels of wheat for sale at the present time by the exporting countries. From statements which have been made today and with which I can agree, I am sure that our wheat board is doing a good job. The men who are at the head of it are of the proper type and quality, and the service they have given us in the past has worked out to Canada's advantage. After today's statement in the house—and there seems to be fairly general agreement among all parties that this is a good thing for Canada—I hope we can agree. If we can agree on that basis, I am sure that this agreement cannot help being a success.

**Mr. P. E. Wright (Melfort):** Mr. Speaker, I should like to say a few words with regard to this resolution which the minister has placed on the order paper and which is being adopted now. I do not think that, in the last few years, there has been anything which has aroused such keen interest in western Canada as have these negotiations with regard to this international wheat agreement. There was general agreement that when the agreement comes into effect it will be of benefit to us in the wheat-producing area. There was, however, keen disappointment that Great Britain had failed to sign the agreement.