

*Wheat—Marketing of Surplus*

sterling currency in settlement of any balances owing Canada by Britain. So far as I am concerned there has never been a single valid reason why Canada should not have started accepting some sterling as far back as 1945 and 1946. I am convinced that if we had, instead of plunging into the Bretton Woods agreements, our trading position and that of Britain today would be far stronger than they are. I feel, too, that our markets for farm products would have been rendered far safer and much more stable if we had shown a willingness to accept from Britain the only thing she had at the time to offer us, her own currency, in part payment at least of the balance owing us.

I remind the hon. member for Assiniboia when he speaks about losing markets and that sort of thing, that he and his party voted with the government for plunging Canada into the Bretton Woods agreements in 1945, and they had plenty of chance to get their eyes open. I remind him, too, that he and his colleagues voted against a motion which we moved just last fall in this house calling upon the government to accept some sterling—I do not say all—in settlement of Britain's trade balances. I remind the house that in the early part of this session we moved an amendment calling for the acceptance of sterling in the way I have mentioned. In my judgment it was very foolishly turned down, with the exception of certain members of the Conservative party who supported it.

I remind the house also that since we moved that amendment last fall calling upon this government to proclaim its readiness to accept some sterling in payment for balances owing, as well as the currencies of other countries, the United States has adopted a policy of accepting not only sterling but the currencies of other countries as well in payment for surplus foods. We pointed out on many occasions that we in this group have a sound and scientific method of financing internally the export to other countries of those products for which we are prepared to accept the currencies of those countries in payment. The proper use of the Bank of Canada would make such financing possible without involving us in any inflationary trends or increases in the burden of interest, and we would not have to pay an inflated public debt.

At any rate the government will have to work out the mechanics of an effective and fair support price system for agriculture. I do not see any escape from that. I point out that the government of the United States has extended for another year the 90 per cent parity support she has had in effect for some years for agricultural products to protect

[Mr. Low.]

her own farmers. I do not believe anybody in this house—certainly I would not—would advocate a rigid support policy like that in the United States; not for one moment. Ours should be a flexible support system designed to support—I underline “support”—rather than to provide an incentive for all out production of food materials, at least until world trade has been put on a satisfactory basis of exchange of goods between nations. It looks to me, Mr. Speaker, as though we have to act now. We have to let the farmers of this country know we are prepared to act, and act quickly if Canadian agriculture is to be kept in a healthy condition.

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** The Leader of the Opposition (Mr. Drew) moved the following amendment to the motion to go into supply:

This house is of the opinion that in view of the present grave situation in the matter of international wheat trading the government should make an immediate declaration as to its policy respecting the marketing of our Canadian wheat surplus.

I find it surprising that the Leader of the Opposition or any other member in this house is not aware of the government's wheat policy. Within the last two weeks a committee on agriculture completed its work. In the course of its sittings it heard from each of the leaders of the three western pools; it heard from the president of the United Grain Growers; it heard from a representative of the private grain trade in Canada; it heard from members of the wheat board. I must say that in the course of the committee proceedings I heard no criticism whatever of Canada's wheat policy. I believe words of praise were sprinkled throughout the minutes of the hearing with a lavish hand. I was rather shocked at some of the remarks that were made there, and I was afraid the committee might turn the heads of some of the witnesses. I believe I protested on one or two occasions. Surely if there was any doubt about Canada's wheat policy, that was the place to explore that doubt. You will never find any more expert witnesses before any parliamentary committee than we had before that committee. You will never find a gathering of men with a better knowledge of the Canadian grain trade and Canada's marketing methods than the men who appeared before that committee. However, today we are told that Canada must declare its policy for marketing wheat. The reason given is the grave situation in the matter of international wheat trading.

Well, what is the “grave situation”? Canada has recently lowered its selling price for wheat by about 6 per cent. In other words it has brought down the price