

Supply—Agriculture

farmer's costs high, it is much more difficult for a farmer to operate when he has a crop failure than if the government had maintained some control over his costs, some control over the cost of his machinery, oil, and so forth.

The announcement yesterday of the devaluation of the Canadian dollar will increase the farmer's costs to some extent. The devaluation of the British pound announced on Sunday is going to make it more difficult in the future for us to hold the British market. Prices of our products are going to go up to the people of Great Britain. We are concerned lest our markets in Great Britain continue to fall. We all know that the quantities stipulated in the food contracts that have been signed for this year are very much less than they were a few years ago. I have them here, but I will not tire the house by quoting the figures. The contracts have dropped in some instances to less than fifty per cent of the quantity a few years ago.

In western Canada there is a trend away from the production of coarse grains and livestock to the production of wheat. That is all right if we have an assured market for the quantities of wheat that we are likely to produce in the years ahead. But from articles that we read from day to day we know that the world's production of wheat is increasing rapidly. According to a Canadian Press dispatch from Ottawa on July 8, world wheat stocks are now almost as high as they were back in 1930. We have an initial price continuing until July 31 of next year of \$1.75 a bushel basis No. 1 northern, Fort William, but the government has not announced what policy it will follow after that date.

It is true that we have a guaranteed market under the international wheat agreement which our group supported. Canada's share in the agreement at the time it was signed was 203,000,000 bushels of wheat per year. I wonder if the Minister of Agriculture would tell us at some time during the discussion of these estimates whether or not all the countries have entered into that agreement so that we can in fact expect an export market thereunder of 203,000,000 bushels.

I noticed a few weeks ago that all the importing countries had not yet signed, and therefore we are not assured of a market for even 203,000,000 bushels of wheat per year. That quantity of wheat per year, if the international wheat contract operates to its fullest extent, is still perhaps 100,000,000 bushels of wheat per year short of the quantity necessary to absorb all our surplus wheat.

The government may very naturally congratulate themselves, and we congratulate them as well, on their election to office with

[Mr. Argue.]

so large a majority. Naturally the government and the Liberal party are pleased that their support in western Canada has been increased. I do not know all the reasons for that increase in support. The farmers I talked to around the first of June felt that one of the reasons they could safely support the government was that the government, beginning August 1, was removing oats and barley from the grain exchange, and the wheat board would be the sole marketing agency for those grains. On June 1, 1949, there was a Canadian Press statement reading as follows:

The Canadian Press Wednesday learned that the complete buying and selling of western oats and barley will be taken over by the wheat board, leaving the grain exchange only the marketing of rye and flaxseed.

An earlier announcement from the trade department merely stated that the board would undertake the marketing of coarse grains and did not indicate the extent.

The Canadian Press later learned that the marketing of coarse grains, similar to wheat, would be removed from the grain exchange.

In all the reports of the speeches of the Minister of Agriculture (Mr. Gardiner), from that day until the end of the election, I did not see any denial of the report that the wheat board was going to handle oats and barley in exactly the same way it has been handling wheat. We were therefore surprised indeed on August 1 to find that the wheat board was buying coarse grains at local elevator points and using the facilities of the grain exchange to market the grain.

We in this group, and we think the organized farmers of western Canada agree with us, believe that the grain exchange should be closed permanently and that speculation and fluctuating prices should be removed in the sale of grain. Next year the government should change its policy in respect to the initial price for oats and barley. At our local elevator point, the barley sold nets the farmer 67½ cents, that is for No. 2 feed barley. The price of oats is something over 40 cents per bushel. The return on wheat at that local point is \$1.58½ a bushel. The return on a bushel of wheat therefore is more than twice as much as for barley and almost four times as much as for oats. If these prices continue, the farmers will be forced to abandon the seeding of coarse grains next spring, and I think that would have serious consequences.

Mixed farming is the only method by which agriculture can be continued on a sound basis. After looking at the wheat markets of the world today, I think all of us agree we cannot be certain of an adequate market. I would therefore urge upon the government the need to increase the initial price for oats to 75 cents and barley to \$1 per bushel at local points. Then farmers will continue to seed