

in addition to those I have already mentioned. I could mention that the Canadian dollar remains at a premium over that of the United States. It has varied in the past year at rates up to 4 per cent. The government of course says that the strong position of the Canadian dollar is an indication of how strong the Liberal party has made the Canadian economy. Well, from the farmers' point of view and that of all other exporters, it was a very sorry day when the Minister of Finance removed the peg on the rate of exchange of the Canadian dollar in terms of the United States dollar. The present premium position of the Canadian dollar does mean a difference of 6 or 7 cents a bushel to the Canadian wheat farmer, and more than that if you consider the discount position of the Canadian dollar not so long ago.

Let me mention another handicap. Some time ago the United States adopted a policy of disposing of surpluses of food by accepting the currencies of the buying or importing countries in payment. There was a limit of \$200 million set on such transactions in the beginning, but according to the *U.S. News and World Report* the Secretary of Agriculture, Mr. Benson, recently said that the limit had been increased to a billion dollars. That puts the Canadian farmers under pretty serious handicaps. This government of course closed its mind to any such suggestion as accepting at least some sterling in settlement of our trade balances with Britain.

Last year you will recall that this group moved an amendment calling on the government to seek to restore and maintain our traditional markets for farm products by agreeing to accept some currencies of the importing countries, at least to the extent which we could easily finance internally. At that time the claim was made by the government that Britain did not want to do that kind of business. Unfortunately that claim was also made by other people. I did not believe it at the time, and I do not believe it yet. I had the opportunity of talking about it with several quite prominent members of parliament at Westminster during this past summer, and without a single exception they thought the proposal was good and worth while, and that it offered no unsurmountable problem to the United Kingdom. One of those to whom I talked was the son-in-law of the British Prime Minister. As a result of this government's lack of foresight and courage to take effective action and face up to the realities of world problems, our farmers find themselves under very serious handicaps in comparison with the farmers of other countries, notably those of the United States.

A third handicap is that there is strong opposition in the government to the adoption of really effective price supports. As a result we in Canada have very few of them, and the consequence is that there is a very wide spread between what the farmer has to pay, his costs, and what he receives for his hard work. Opposition to support prices for farm products is not confined to the government. I have seen various biased and uninformed interests, in eastern Canada especially, who take a violent stand against support prices. I notice, for instance, that *Toronto Saturday Night*, in its last issue, devoted its front page editorial to a tirade against support prices for farm products. All the opponents of the idea used the experience of the United States as evidence that price supports are bound to induce huge unsaleable surpluses of food products.

There is some argument, in my judgment, against the use of rigid supports based on a high percentage of parity, such as has been used in the United States. From the farmer's point of view, of course, the argument is mainly for such rigid supports. But from the point of view of the nation as a whole and world trade, a rigid system of price supports can cause great difficulties, indeed has caused great difficulties. We realize that; but the same cannot be said about a flexible system of price supports. There is a very good case that can be made in favour of the adoption of such a flexible system here in Canada, the percentage of parity that is used of course to depend upon the amount of incentive which ought to be provided to achieve the amount of production that is required to meet the need.

The farmers of Canada have every right to expect this government to introduce a system of flexible price supports for farm products, at least as long as the government maintains protective tariffs on industrial products, tariffs which are, as everybody should know, a form of subsidized support prices. If everything were free to be influenced by the law of supply and demand it would be difficult to argue for support for farm prices, flexible or otherwise. But things which the farmer has to buy and which enter into his costs of production are not free. That is the rub. We never hear the opponents of farm support prices putting up any arguments against protective tariffs that are aimed at supporting our industries against the competition of foreign industry, but they will argue and argue against the adoption of flexible farm support prices.

The problem we face in this country is to adopt some policy and some technique which will guarantee the farmers their fair share