

Wheat—Marketing of Surplus

in the statement made by its leader, apparently was unable to offer a single concrete suggestion to the government as to what should be done to meet this very grave situation. Before I conclude tonight I shall offer suggestions to the government which I believe, if adopted, would provide a solution.

We have asked the Minister of Trade and Commerce (Mr. Howe) and we have asked the Prime Minister (Mr. St. Laurent) what steps have been taken to co-operate with the United States in a sales policy. The United States has a large surplus of wheat. We have a large surplus. The question has been asked: What co-operation is there between Canada and the United States in deciding on a sales policy? The answer that has come back from the Minister of Trade and Commerce is that we are not co-operating because such co-operation would mean a combine on this continent in the sale of wheat.

Mr. Howe (Port Arthur): My hon. friends might occasionally be accurate. I at no time said we are not co-operative. I said we are not adopting the common sales policy which would mean a cartel in respect of the sale of wheat, but we are co-operating to the extent of meeting and comparing our respective views preceding action. The action taken by the United States was preceded by a meeting called by the United States.

Mr. Argue: That is what I meant.

Mr. Howe (Port Arthur): If that is what you meant, then I do not know what you mean now.

Mr. Argue: All that happens is that the Canadian government or the United States government, one or the other, takes the lead in cutting prices and in a matter of hours the other one follows suit. Unless the Canadian and United States governments adopt a similar policy, and not an independent policy with each country cutting its price then there is going to be great difficulty ahead for the western wheat producer.

The Minister of Trade and Commerce stated in the house that he had no idea of co-operation because, and these are his words as they appear at page 5302 of *Hansard* for June 1, 1954:

I hardly think the idea of forming a combine against the world would be popular in either country.

If he meant by that that the present policy is going to be continued, with one country cutting the price and then the other, there is little hope for the western wheat producers. It is rather easy to blame the United States for cutting the price of wheat. I want to point out that it was the Canadian

government that started the price war. It was the Canadian government, not the United States government, that made the first slash in the price of wheat, and that was on February 16, at 1.30 central standard time, when the price of Canadian wheat was reduced by seven cents a bushel at Fort William-Port Arthur. One hour and forty-five minutes later the United States followed suit. The Canadians broke the price of wheat on February 16, and the price of wheat was broken at Port Arthur-Fort William because these ports cannot compete with the port of Vancouver at the same price.

The Minister of Trade and Commerce is from Port Arthur, and he knows—

Mr. Howe (Port Arthur): How small can a man get?

Mr. Argue: That is all right; it is not a matter of smallness, it is a matter of record. The Minister of Trade and Commerce is from Port Arthur, and he knows—

Mr. Howe (Port Arthur): And he therefore cut the price at Port Arthur!

Mr. Argue: The Minister of Trade and Commerce is from Port Arthur, and he realizes that the freight rates from Port Arthur down the great lakes to Montreal make that route relatively uneconomic in comparison with the Vancouver route. In order to give Port Arthur-Fort William an equal advantage the price of wheat was cut and the western wheat producer is being forced to subsidize, by seven cents a bushel at that time and by six cents a bushel now, a relatively uneconomic route.

I come back to the first statement I made that the Canadian government started the price war by slashing the price of wheat by seven cents a bushel on February 16. We cannot blame the United States now particularly if she follows suit, and this time cuts the price of wheat by ten cents a bushel. We on this side of the house do not believe that the present capitalistic system will function.

We have said that the only time agriculture is able to sell its products under this system is during a war, or shortly after; that with the present type of government, the present administration and the present policies being followed, sooner or later we would come to a period of surpluses, loss of markets and depression. And we warned the government about that after the war.

We supported the proposition that there should be an international arrangement for the sale of surplus food on the international markets. The food and agriculture organization of the United Nations advanced specific proposals for the setting up of an