

*The Address—Mr. McKay*

being a satisfactory marketing and distribution agency for agricultural products, and the crux of the whole food problem is marketing.

It would be useless indeed to increase the production of food and it would be equally futile to establish high standards of nutrition unless methods were devised to move the food from the producer to the consumer at a price fair to the producer and also reasonably fair to the consumer. It will also be necessary to keep production throughout the world in equilibrium. It is the feeling of most members of that international body that when nutritional standards are raised everywhere overproduction of foodstuffs, particularly grains, is most unlikely. On the contrary, suggestions have even been made to increase the production by furnishing technical farming knowledge to those areas where such knowledge is lacking and thus make the industry more efficient.

Canada as a great exporter of agricultural products is a member of the food and agriculture organization. Farm organizations everywhere in the country approve of Canada's participation in the activities of that body. They have always been concerned with the depressing effects on the world market of the overproduction of farm products. It is now felt that if nutritional standards are maintained by the nations of the world and raised where they are substandard—in too many cases that is true—there is not the remotest possibility of overproduction of agricultural products.

The next difficulty to overcome is to provide stocks of food at reasonable prices to the consumer and at a price to the producer sufficient to encourage production but which at the same time would not be too burdensome upon any particular state. This will require long-range planning on the part of the international body, associated with other bodies which handle grain such as the Canadian wheat board. The retention of this board is essential to Canada's proper co-operation with international bodies concerned with the distribution of foodstuffs.

By international co-operation of the nation exporters of agricultural products a fair price can be guaranteed to the producer, production kept in equilibrium with food requirements, and at the same time a price established for the consumer based upon his ability to pay. That can be accomplished only by full co-operation between the Canadian government and the United Nations organization.

[Mr. McKay.]

The first task of the world organization will be to set up a satisfactory marketing agency for the distribution of grain. But should the world organization fail to set up a satisfactory marketing agency, Canada will be obligated then to sell on any market available to her, and the historic market is the United Kingdom. It is an established fact that the United Kingdom is short of Canadian dollars because this country is not purchasing a sufficient quantity of British goods. May I suggest that the federal government explore the possibility of removing Canadian tariffs against British goods so that Great Britain will have sufficient exports to this country to enable her to obtain enough Canadian dollars to purchase Canadian wheat, and other products such as eggs, bacon, fruit and cheese. I do not think that we can hope to hold the British market if Great Britain is not provided with the wherewithal to purchase our primary products.

I would further suggest to the government that they explore the possibility of setting up a barter arrangement between Great Britain and Canada similar to those now in effect between the United Kingdom and Poland, and the United Kingdom and Yugoslavia.

The livelihood of most Canadians still depends on agriculture. It is therefore very essential to the well-being of our greatest industry that there be a free exchange of goods with countries, regardless of where they may be, which are willing to trade with us, and thus take the surpluses off our hands which we create frequently in primary products. It does not seem to me that there is any other reasonable way of guaranteeing a price for farm products, and certainly no other method of setting up a stabilized price on a sound economic basis. The C.C.F. supported the British trade agreement because it was sound economics. The agreement was affected, however, when price controls were still in effect in this country. Since that time price controls have been largely removed by the federal government. Because of the removal of those controls the farmer, particularly in the west, feels he has been double-crossed by the government. I think he is quite justified in feeling that way. A ceiling has been placed on the selling price of his chief product, wheat, but there is no limit to the price he must pay for consumer goods.

Why did the federal government remove price controls? Was it because of the pressure of public opinion? Certainly not. In January of last year sixty-six per cent of the people interviewed by the Canadian Institute of public opinion expressed disapproval of the government's decontrol policy. That is two-thirds of the population. Therefore we must assume that the government was stam-