

*International Wheat Agreement*

in and the United States out than it would be to have one with the United States in and Britain out. I think that we should take full cognizance of the fact that if we want a wheat agreement we must make that agreement on the basis of the way it can be made rather than on the basis of some perhaps emotional feelings that we may have. There are some differences in the ways in which wheat agreements can be carried out. I agree that Britain should be in a better dollar position and I am sure that the Department of Trade and Commerce, through its operations as I have seen them, is endeavouring to assist Britain to get herself in a better dollar position—and I do not see that we can do very much more than we are doing now.

The hon. member for Souris (Mr. Ross) and the hon. member for Battle River (Mr. Fair) were very much in agreement on certain of the points they made during their talks. For one thing they said prices were too low and costs too high. As a western Canada farmer I fully realize that it is to our advantage to keep costs as low as possible and revenue as high as possible. If we want a wheat agreement we have to sell wheat. We can either have wheat on our hands or we can have money in our hands, and if we want to have money we have to sell wheat at a price which the buyer of wheat is prepared to pay.

I was going to say that since I have been a member of this house I have heard hundreds of speeches, but probably the figure is not that high; and I will say that I have heard a great number of speeches made in which it was said that we have lost huge amounts of money through these various agreements. The latest figure, that given by the hon. member for Souris, is \$800 million. I have heard figures which run all the way from a few hundred million to over \$1 billion that we have lost. If that wheat had moved to market and had been sold at \$2 a bushel when we could have received \$3 for the movement, then I would say that we had lost money. However, in the world, we have got something like 1½ billion bushels of wheat overhanging the market. If we had sold that wheat at prices which people would have considered cheap it would not now have been in the hands of producing countries; and I would like those who make a great point out of the amount of money we have lost to tell me and to tell the people of Canada how it would have been possible to sell our entire wheat crop and the wheat crop of other producing countries to importing countries at the class II prices which are mentioned.

The argument is absolutely pointless until one can prove to the people of Canada that

if we quoted higher prices for wheat the peoples of the world would not have used substitutes for wheat flour as they used them in the 1930's. We know that the Germans made ersatz bread, the French tore down their vineyards and grew wheat, and other countries used potato starches in bread rather than wheat. During the 1930's the British cut down the content of hard Canadian wheat in their bread. I do not think those instances were chiefly due to the price of wheat; rather, to quite an extent, it was because countries in Europe felt that world war II was in the offing, and I think they were attempting to make themselves self-sufficient as far as food-stuffs were concerned. The price probably would not have had the same effect on that situation as the war did. On the other hand, if the price gets too high, then you are going to find people will look for substitutes—and if there is anything that will wreck our economy faster than to have people who would normally like to eat wheat looking for substitutes and using substitutes, I would like to know it.

If I thought for one minute that the world would absorb the volume of wheat that could come on the market, as it has in the last four or five years, at a price higher than the agreement price, I would say we were making a mistake. But it looks to me, from what I have seen going around Saskatchewan and other wheat-producing areas, as though farmers are prepared to put their wheat on the market at a fair price which people will pay and can afford to pay. In any business with which I have had anything to do, volume is the thing that counts. In other words, if our wheat will flow on the market just as fast as we can grow it, or as fast as it is physically possible to get it to market and it is offered at a fair price, then I do not think that farmers have very much to worry about.

With respect to an escalator clause, I think that such a clause would be desirable. However, as Canadians we must go to these international wheat conferences and try to sell our wheat. We could say to them that in the light of today's cost of operation we feel that they are paying us a fair price, but that if our costs of production should go up we would want them to pay more—and we could have a clause in the agreement which would indicate that they would pay a higher price. However, I have sold lots of things to people and I have never seen a customer who was very sympathetic to my own personal economic problems. What he is interested in is the price of the article he wants. If I try to attach a condition to the sale to make him liable to pay me a lot more some time in the future, I do not think he is going to