

Hon. Mr. CRERAR: Yes. You could send a navy to bombard their coast or an army to invade their country. I know of no other way, unless you applied economic sanctions against them. That probably would not bother them very much, and to do it, agreement would have to be reached among all the contracting countries. Honourable senators, I think it is foolish to enter into agreements unless there is a reasonable prospect that they will be carried through.

I also have criticism to make of the terms of the agreement. The maximum price of the wheat under the agreement is \$2 a bushel. If Canada, Australia and the United States finally go into this, at no time during the currency of the agreement can they get more than \$2 for the quota they have agreed to supply under it.

Hon. Mr. EULER: Does the honourable senator think it possible that Canada would not live up to the agreement, and would refuse to sell the wheat under it because she could sell at a higher price to somebody else?

Hon. Mr. HOWARD: No.

Hon. Mr. CRERAR: I would not make a comment on that.

Hon. Mr. ASELTINE: You would not want to admit that anyway.

Hon. Mr. CRERAR: No, as a good Canadian I would not want to admit that.

Hon. Mr. EULER: My thought was that if one side did not want to live up to the agreement the other side would not have to.

Hon. Mr. CRERAR: The floor price changes year by year until 1935, when it goes down to \$1.10.

Hon. Mr. ASELTINE: That is f.o.b. Fort William.

Hon. Mr. CRERAR: If during the next four or five years there is a world failure of wheat crops and that commodity becomes scarce, the market demand will be strong. Outside of this wheat agreement prices will go up to, say, \$2.50 or \$3 a bushel, but under the agreement we would be still committed to sell our wheat at \$2 a bushel. We had an experience of that under our wheat agreement with the United Kingdom. The United Kingdom wheat agreement was a short sale of 600 million bushels of Canadian wheat, to be delivered over a period of four years. We had to honour our part of the agreement; we could not do otherwise because the good faith of Canada was pledged. In the first two years of the contract we sold wheat to Great Britain at \$1.55 a bushel. In the next crop year, commencing August 1, we will get \$2 a bushel.

What we shall get in the final year remains to be seen. In my judgment, the farmers of this country who produce wheat have lost, since the beginning of the United Kingdom wheat agreement, through Canada honourably living up to it, over \$300 million. The bread consumers in Great Britain were subsidized because Britain, while buying wheat from Canada on a basis of \$1.55 a bushel at Fort William, was paying more than half as much again for supplies secured outside of Canada. Not only did we subsidize the bread consumers in Britain, but we subsidized the bread consumers in Canada—

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. CRERAR: —because the flour that was converted into bread and sold to Canadian consumers was made out of wheat on the basis of \$1.55 a bushel.

Hon. Mr. HORNER: There was one time when the basis was 75 or 78 cents.

Hon. Mr. CRERAR: And I think it was \$1.25 in the first year.

Hon. Mr. HAIG: The honourable senator from Churchill (Hon. Mr. Crerar) made a statement that I think is factually incorrect. I know he did not do so deliberately. During the first year of the United Kingdom wheat agreement the bakers of Canada paid only 77 or 78 cents a bushel for their wheat, and the difference between those prices and \$1.25 in the first year and \$1.55 in the second year, was made up by the rest of Canada.

Hon. Mr. CRERAR: Of course that bonus had obtained for years. The point I am endeavouring to make is that the farmers received the first year \$1.25, I think—

Hon. Mr. ASELTINE: It was \$1.35 the first year and then \$1.55.

Hon. Mr. CRERAR: Yes. And I called attention to the fact that the bread consumers of Canada got the benefit of those prices, because Canadian mills were charged for their wheat the same price as was charged to Great Britain. I venture to predict that in a few years' time parliament may hear about that. My contention has always been that if, as a matter of high public policy, Canada desired to assist Great Britain by providing her with wheat at a reasonable cost, the wheat growers should not have been asked to bear the whole burden, but that it should have been distributed over the whole population.

Hon. Mr. HORNER: Hear, hear.