

*Canadian Wheat Board Act*

the "have regard to" clause. I know that he now tries to separate this amendment entirely from the United Kingdom wheat agreement but at another time he insisted they were pretty close together. It would have a bearing on this legislation if the minister could tell us whether there is any basis of settlement arrived at as to the "have regard to" clause in the contract.

**Mr. Howe:** The "have regard to" clause reads as follows:

The actual price to be paid for wheat to be bought and sold within the crop year 1948-49 shall be negotiated and settled between the United Kingdom and the government of Canada not later than the 31st December, 1947, and prices for wheat to be bought and sold within the crop year 1949-50 shall be negotiated and settled not later than the 31st December, 1948. In determining the prices of these two crop years, 1948-49, and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in 1946-47 and 1947-48 crop years.

That is the "have regard to" clause in the agreement. I suggest that regard was paid in fixing these prices. The price for the first two years of the agreement was \$1.55. After negotiation the price for the third year was fixed at \$2, and after negotiation the price for the fourth year was fixed at \$2. What does my hon. friend read out of the agreement beyond the fact that the price for the last two years would be settled having regard to world prices in the first two years?

**Mr. Ross (Souris):** The Minister of Agriculture said they had agreed with officials in Great Britain to extend the final settlement until July, 1950. That is next month. He distinctly made the statement in this house that would be the date for the final settlement if there is to be any further settlement with Great Britain for the difference between the world price and this price. That was the final arrangement as nearly as the house knows it.

**Mr. Howe:** The matter of the "have regard to" clause was discussed in great detail during our sessions with Sir Stafford Cripps and other ministers of the United Kingdom government. The whole situation was reviewed. The United Kingdom is just as positive as I have been in my statements in the house as to what the world price of wheat really was in those periods. My hon. friend said the world price was the price in a local market to which Canadian grain is not permitted access. I wonder what the world price would have been if we had been able to ship our Canadian grain to the Chicago market, which he says is the great criterion for world prices. We went over the agreement while in London. We asked the United Kingdom government what further

settlement it is to make on account of the "have regard to" clause. The United Kingdom government took a very strong position that they had fulfilled all obligations under that clause, and so far as the United Kingdom was concerned. We agreed on behalf of Canada that considering all the circumstances that was the case.

**Mr. Ross (Souris):** Mr. Chairman, I asked the minister about the world production of wheat and what percentage of that amount the Canadian production constituted. He gave me the answer, and I think that is some proof as to what would have happened if we had been using the Chicago market. I do not think that 8 per cent of the world's market would have made the very great difference that he would have us believe.

**Mr. Howe:** If my hon. friend will excuse me, he is twisting phrases. He did not ask me about the world market for wheat. He asked me about the world production of wheat which is totally different from the world market.

**Mr. Ross (Souris):** I am not confusing the two at all.

**Mr. Howe:** Why not stick to one of them?

**Mr. Ross (Souris):** I asked a direct question and I got a direct answer. I am stating now, in answer to what the minister has just said, that I do not think that the 8 per cent would have made a great difference. The point I want to make now is that I do not recall a difference of 40 cents in recent days between the price of class II Canadian wheat and the Chicago price, which the minister mentioned this morning.

**Mr. Howe:** The chairman of the wheat board, who should have some knowledge of these matters, tells me that the difference today is between 35 and 40 cents.

**Mr. Ross (Souris):** Did he say what prices would be compared to show that difference?

**Mr. Howe:** It is the United States cash wheat price delivered at seaboard as compared with the Canadian cash wheat price delivered at seaboard.

**Mr. Ross (Souris):** What was the price of Canadian class II wheat last week end?

**Mr. Howe:** The price at Fort William two days ago was \$2.08, to which must be added about 17 cents, which brings it to \$2.25 at seaboard. That is the Canadian cash price at seaboard, and that is about 35 cents under the cash price at seaboard of United States wheat for comparable grade.

**Mr. Ross (Souris):** I well remember the many promises made in this house by the