

*Agricultural Products Act*

peace. There are those who argue that the bill is no longer necessary and is not justified because we have obtained a complete recovery since the war. It is argued that the emergency no longer exists. I hardly believe that is the case, especially in agriculture.

Agriculture here is still reaping the benefit of the devastation of the war in Europe. So far as I can see, the agriculture of this country is not yet on a peacetime basis. I do not think any of the farmers believe it is on a normal peacetime basis. I am satisfied that, when agriculture does return to normal conditions as we knew them in pre-war days, this act or one similar to it will be even more necessary than it is today. The act before the house will enable the government to continue to negotiate long-term agreements for agricultural products other than wheat. As I said before, such a practice will tend to stabilize agricultural prices and that is what the farmers of this country have been requesting for many years. These agreements can of course only stabilize agriculture in so far as they are for a long enough period and the prices are satisfactory to the producer. There is no reason why agreements cannot be negotiated on that basis because the world needs our agricultural products in an increasing quantity. Most farmers in the east and in the west have a fear of the speculative market and of what surpluses in agricultural products may do to the market when they occur. The farmers do not want to return to the depressed prices from which they suffered in the mid-thirties.

During the war farmers accepted ceilings for their products and a lower than world market price in many cases largely because assurance was given to them that prices would not be allowed to collapse once the war was over. Nothing is more important to the Canadian economy than stability in agriculture. This was drilled into the ears of western farmers throughout the five years of the war. It was the fundamental argument used by the government and its advisers to justify the ceilings placed upon farm prices during the years of war when agricultural products were in great demand. It was more than an argument, as a matter of fact. It was a solemn pledge to the primary producers of this country, and they have a right to expect that this pledge be redeemed.

Western farmers—and I think this is fairly true of the farmers everywhere in Canada—have not demanded the highest possible prices for their produce in a world of famine. They have been more than reasonable. In all things they were willing to forgo immediate high prices and the profits that went with those high prices for the sake of stabilizing their industry on a peacetime

basis which would be more satisfactory to agriculture than in pre-war days. I would suggest to the minister that the present contracts in eggs, cheese and bacon are totally inadequate to provide for that stabilization for which the farmer is asking. There should be contracts for other agricultural products including fruit, flax and many others as well. Farm income cannot be stabilized over a long period without large contracts through a wide range of primary products. I think business generally will recognize that it is important to do that, for a low farm income and unstable markets always reflect themselves in a lower buying power on the part of the farmer and resulting poor business for the small businessman. The solution to the farmer's problem, as I see it—the problem of providing the farmer with an adequate income—is not a return to the days of boom and bust, or of feast today and famine tomorrow. We do not want such a marketing system again. It is rather to lay the foundation now so that when and if agricultural surpluses develop, such a condition will not again disable our farm economy.

The principle embodied in this act ought to be made a permanent feature of government policy. Associated with the power to make agreements and contracts, the government should give immediate consideration to the setting up of permanent import and export boards. These could serve as instruments for the successful handling of Canadian exports and also for the acceptance of imports from abroad. I believe that barter trade—which is known by the term "bilateral agreements"—will have to become a part of government policy of the near future. I believe that, despite the fact that the government may not consider that barter trade is a wholly orthodox trading system. I say that because of a statement made by the governor of the Bank of Canada, Mr. Graham Towers, which I have here, and which has been in all of the leading newspapers of Canada. The clipping I have is taken from the *Toronto Star* and it is under the dateline "Vancouver, March 18." I shall read only part of this statement; there is no need to read it all. Mr. Towers is reported to have said:

"Restoration of Europe might well be the task of a generation or more . . ."

He then goes on to say that European recipients of aid have been forced by dollar shortages to form trading arrangements among themselves and with countries outside the dollar area. If we are to trade with Europe on an increasing scale or to keep up the markets we now have, it seems to me that we must evolve a system different from that under which we are now operating, which involves the dollar as the monetary standard.