

International Wheat Agreement

Mr. Low: Yes, that is probably true, but it is not true of my province. That is one important thing which the hon. member for Edmonton West (Mr. Prudham) should keep in his mind.

Mr. Prudham: This government collects about \$30 million for Alberta.

Mr. Low: Yes, and you collect about \$160 million from Alberta for yourselves. Just keep that in your pipe while you are speaking. The hon. member for Edmonton West is going around Alberta, and perhaps other places, trying to tell them of the magnificent job this government is doing for Alberta in collecting \$30 million for them. If the hon. member for Edmonton West will be honest about it he will tell the people of Alberta that at the same time this government is collecting \$30 million for them they are collecting \$130 million for themselves. I just wanted to keep the story right.

Mr. Prudham: And this government pays for Alberta's defence, too.

Mr. Low: Granted that under the tax transfer agreements there is a certain amount of collecting done for the province by the federal government. We recognize that only too well and we are not trying to do my hon. friend out of any honour or glory for having done it. I just wanted to set the record straight on an interpolation which I think was uncalled for. What I have said about Alberta could easily be said about the other provinces of Canada which are participants in the tax transfer agreements.

I was referring to the part that taxation plays in wheat prices. If we find it difficult to sell wheat to Britain, at least to some degree that failure has to be attributed to the price which Britain feels she can pay. If the price is too high, then we ought to be looking for the causes. Other hon. members who have preceded me have pointed out some of those causes. One cause is the inordinately high tax rate that enters into the cost of the things which the farmer has to buy and which in turn definitely pushes up the cost of the production of wheat.

Machinery prices is one example. The prices of many items have skyrocketed out of all reason. Of course someone will say that higher wages are being paid to the workmen of the country. Granted that the workers of the country have higher wages, that does not for one moment obviate the necessity on the part of the government to take every action possible to keep cents in the dollar, to prevent this serious decline in purchasing power which this government has permitted to occur over the years.

[Mr. Prudham.]

As I said, this government has been in office since 1935 and during that time there has been a serious decline in the purchasing power of the Canadian dollar without the government having done one effective thing to prevent it. Certainly the labouring man is going to do his level best to get a living wage because he faces this terrific high cost of living as a consequence of the decline in purchasing value. So will the farmer want to get what he can in order to be able to live and stay in business. If we sit in this House of Commons and do nothing to prevent the loss in the purchasing power of our Canadian dollar, than to a large degree we are responsible for the situation in which the farmer finds himself today. Knowing the facts of this situation, if we expect Britain to pay the shot then it seems to me that we are not being realistic about the whole situation.

If we expect Britain to buy Canadian wheat and other food products we must be prepared to buy much more from her. I read an article the other day in a United States newspaper by a very realistic writer concerning an electrical contract on which Great Britain was asked to bid. According to this article the British bid was something like \$6 million less than the lowest United States bid, yet the people who called for the tenders were not able to give the British firm the contract simply because certain interests in the United States raised the dickens of a cry against it. They asked for new tenders on a lower basis to meet that submitted from Great Britain.

That attitude is the thing I was referring to when I spoke in this house a few days ago. It is an attitude that has grown up, and it shows that you cannot clear away the difficulties in the field of foreign trade without changing your fundamental thinking. You just cannot do it. Nor can we expect to be able to deal with Britain on a satisfactory basis with respect to wheat and other materials unless we begin to change our fundamental thinking; and it seems very important to me that we should start now. I think we have to be prepared to buy as much as we can from Great Britain and give her every opportunity to show that she can meet competition from the rest of the world, instead of just taking the sort of under the table action that will keep Britain out of our market and force Canada to tie herself to the uncertain United States markets. I will say to the minister that I wish we were considering an international wheat agreement in which Britain was a participator. I am not blaming him for not being able to get such an agreement, and I can see that in the