farm prices have been on the decline. It is therefore no wonder that the average farmer feels that agriculture in this country is and has been for months facing a crisis.

Anyone who took a careful look at the huge accumulations of foodstuffs in storage in the United States last year at this time saw potential trouble ahead. At that time some of us said that if the United States felt inclined to start cutting prices as a means of capturing the British wheat market or as a means of getting rid of some of the huge stocks in store and owned by the United States government, the result could be a price war which could force farmers' returns down to disastrous levels. We saw one factor, of course, that might prevent such a price war, namely, the fact that the United States government had guaranteed the American farmer a support price of $2.21 a bushel for his wheat until the end of 1954. Since then their guarantee has been extended until the end of 1955 at 90 per cent of parity. But it seems that that factor has not been effective in preventing the cutting of prices in order to capture world markets and to move grain.

The members of this group a year ago—yes, more than a year ago—expressed regret that Britain did not become a party to the international wheat agreement. Had Britain joined the scheme there would have been considerably more stability to world wheat prices. I am perfectly sure of that. Some of us—and I was amongst them, as were the hon. member for Acadia (Mr. Quelch), and the hon. member for Battle River-Camrose (Mr. Fair)—thought it was a great mistake not to set the ceiling price under the agreement at $2 instead of $2.05. Perhaps that may—and I say "may" advisedly—have made quite a difference in the situation. It may have resulted in bringing Britain into the agreement. Had she come into the agreement I am sure that she would have stayed in it. Of course this thing can be argued both ways. I do not know for certain what would have been the situation, but I feel that Britain would have come in. However we stayed with the $2.05. We stayed with the United States in that regard and here we are.

However that may be, we are now facing a situation where the United States made a substantial cut in the export wheat price and the Canadian wheat board has felt compelled to bring our own price down by 10⅛ cents in order to compete successfully for markets. That is a fact we have to keep in our minds. I am not criticizing—and I want to make this point abundantly clear—the Canadian wheat board for taking this action. It seems to me that with them it was not a question of undercutting; rather with them it was a matter of competing for markets. If the United States particularly cuts wheat export prices, then we in Canada have to compete or simply not sell. So far as I can see, there are no other alternatives.

I do not think that the farmers themselves are going to be too much exercised over the present price, which I believe is something about $1.70 after the cut of yesterday. But, Mr. Speaker, what they will worry about is where we are headed in the days to come. I think that is the important thing. I think the time has come when it is incumbent upon the government and upon this parliament to give assurance to the farmers of Canada that effective action will be taken to prevent any price war that may develop, thereby forcing the returns to the farmers down below economic levels. I am quite certain that whatever action we may take we may not be able to prevent a price war. The pressures in the United States are very great. The possibilities of their starting a price war are still very genuine. But however that may be, I think it is necessary for us to give to the farmers of Canada the assurance that in any price war that takes place, their prices and the return to the farmers from the sale of their products must not be allowed to be forced down to uneconomic levels.

We think it is only fair and just that the government establish and maintain a floor price on wheat and on other farm products. While I am saying that I am going to say also that such a price—that is a fair and equitable floor price—for all primary products will have to come in the future. I do not see any way out of it. But I say that it is time that we adopted and gave evidence of maintaining an effective floor price for farmers that will guarantee them the cost of their production plus a reasonable margin of profit.

That is the level which we are convinced is right and just. We are convinced that a course of that kind is not only essential but is also completely justified. I could give a good many reasons and perhaps talk for quite a long time in doing so, but I am going to try to get right to the point and state the reasons why I believe that a course of that kind would be completely justified and do so in as short a time as I possibly can.

In the first place let us not overlook the fact that during the war when the world price was high Canadian farmers were prevented from enjoying those high prices by the policies of the government. They were