

Some people say there is no world price. There has always been a world price; it is recognized in the international agreement. For the information of those who do not live on the prairies, or in British Columbia, where people understand the wheat problem, I may mention that the world production of wheat is about six billion bushels a year. Of that amount approximately 600 million bushels are sold on the world market. It does not take much of a crop failure to wipe out 600 million bushels, and because of fluctuations in production the price of wheat has always been difficult to determine in advance. For example, in Manitoba, Saskatchewan and Alberta, through the frost which occurred on August 23 last year, the crop was reduced by at least 100 million bushels. I do not need to point out that such conditions cannot be foreseen. It is estimated that the Canadian farmers lost about \$600 million because they were required to sell to Britain, under the wheat agreement, and also to the Canadian people, grain which would otherwise have commanded the world market price. Some may say that that is all water under the bridge, and that because of controls those engaged in other industries also had to accept reduced prices. However that may be, had our farmers sold their grain on the world's markets they would have received in the course of four years a little over \$400 million more than they actually got. I do not base that figure on the world price, but on the price at which the pool itself sold its surplus wheat. Nor do I calculate this on the basis of the daily price, which is higher than the pool figure: I do not think it would be fair to do so.

Rightly or wrongly—I think, rightly; others may say, wrongly—the farmers of the prairie provinces believe they are entitled to some compensation from the people of Canada because the government, through an agreement made with another government, prevented them from selling their produce directly. I admit that in doing this the government accepted the advice of the wheat pools. I admit that in this matter the wheat pools of Manitoba, Saskatchewan and Alberta were wrong—absolutely wrong. Nevertheless the government of the day are responsible. They made the contract, they put the legislation through. To compensate the farmers of Western Canada to the extent of 25 cents a bushel would give them \$280 million towards the \$400 million that they lost under the British wheat agreement and also the \$200 million of which they were deprived on domestic sales. At the price fixed under the British agreement, wheat was sold domestically at \$1.55 a bushel, the government providing half of this amount by way of

bonus. In my opinion the only fitting way to wind up this business is for the board, with the support of the Parliament of Canada, to pay 25 cents a bushel to the farmers as compensation for what they lost on the deal.

**Hon. Mr. Burchill:** Would the honourable senator be willing to give lumbermen the same consideration?

**Hon. Mr. Haig:** But we did not sell the lumber. We did not take the lumber away from you. All the farmers sought was to be allowed to sell their grain as you sold your lumber.

**Hon. Mr. Burchill:** Our lumber was under government control.

**Hon. Mr. Haig:** No.

**Hon. Mr. Burchill:** Yes, absolutely.

**Hon. Mr. Haig:** Under domestic control, but not foreign control.

**Hon. Mr. Burchill:** Export control.

**Hon. Mr. Haig:** You could sell as much lumber as you liked. In any event, it was not so much the control of grain that was so bad; it was the prohibition of sale.

I come now to two items about which I specially wish to speak. First I want to say a few words about the cost of living, which is a very troublesome subject. Following the practice of the department, which takes 100 per cent as the cost of living index for the years 1935 to 1939 inclusive, I find that at the end of December of 1950 the index was 172.5 and I have little doubt that by the end of January it had risen still further. No one knows how much it went up, but the reports for January indicate that the wholesale prices of commodities increased very substantially.

I notice that four of the Canadian labour unions have requested that prices be placed under control. Now, to my knowledge price controls have never been imposed without controls being placed on wages. I do not see how it is possible to control prices without controlling wages. Labour men will tell you that their prices are controlled, but that is certainly not the case. For instance, if certain workers go on strike, you eventually have to give in to them or close up your shop. There is no control of prices there. In the United States prices have been placed under controls, but controls have also been imposed on wages. The point is that no matter what commodity you produce, labour enters into the cost. I would gather from what I have read that 75 per cent of the cost of everything manufactured in this country is attributable to labour costs in one form or another. In my opinion no man in his right senses would even suggest to any government