

International Wheat Agreement

about \$2.16—at least, that is about what they are getting in the market today. When the farmer looks at that he will think that the \$2.05 ceiling is no more than he should expect under present conditions. So when we are considering this whole agreement let us not overlook the fact that the farmer does have some reason for disappointment. He should get at least \$2.05 a bushel.

On the other hand, if the farmer considers the position in which Britain is placed, and if those of us who are discussing this resolution do the same thing, I imagine we would have to be pretty careful in criticizing Britain. It has been said that she has been a bit sticky about the agreement. I do not like to hear that term used in connection with any country negotiating a deal. I do not believe Britain was sticky at all, but rather that she took a very careful look at her dollar position and decided that she had to take a certain stand; and she took it.

It is certainly true that under present circumstances Britain is forced to save every dollar she can save. What does the five-cent difference in the ceiling mean to her? It means that if she purchases, we will say, 160 million bushels in a year from us, she will save \$8 million. And that \$8 million would buy nearly five times the amount of cheddar cheese she was able to buy recently from Canada. That would be an important consideration. If she purchased 180 million bushels in a year, she would save \$9 million.

There are important considerations for Britain today, when all her citizens are trying to carry on under a severe system of rationing, and when they are suffering real food shortages. These are points we ought to keep in mind, and we must not be too hasty in criticizing Britain, particularly when we realize that we have not been too anxious to buy from her. I have in mind some action taken not long ago to keep British goods out of this country. At that time I believe some very unfair things were done to keep Britain from participating in some of the automobile shows of this country. This action was taken by Canadian automobile manufacturers. I drew attention to that fact when I was speaking some time ago on the budget. We ought to keep these things in our mind. I believe the attitude of Britain stems first from the fact that she has to husband every dollar that she can possibly save in order to get the bare essentials of living. To me that is perhaps the best reason why she has taken the strong position she has.

I think the second reason is that Great Britain gives every indication of believing that the price of wheat is going to fall and she is not prepared to tie herself up to a

guaranteed price running up to \$2.05 maximum for a period of three years. I should like to quote briefly from a clipping which I took from an old country paper, the *Belfast Express*, which has this to say:

Mr. Gwilym Lloyd George, the food minister, is adopting a tough attitude to the world's wheat exporters. His line is: "The customer is right."

So no British signature will be affixed to the new three-year international wheat agreement when it is signed in Washington today.

The new agreement will raise the maximum price of wheat from 1.80 dollars to 2.05 dollars a bushel.

This is the part I want hon. members to listen to carefully.

In the Commons on Wednesday he will make a statement setting out the government's attitude. He will tell M.P.'s that world wheat stocks are mounting rapidly. By June they will be double what they were a year ago.

That is sufficient indication of what is in Britain's mind. Looking ahead and taking everything into consideration, including present world stocks of wheat, she feels that there is reason to believe that prices will fall. The article continues:

So he is confident that Britain will be able to get all the wheat she needs in the next three years at less than two dollars a bushel. Our buyers will be operating in a free market.

It seems to me that that pretty well indicates at least the foundation for some of Britain's attitude. When we start criticizing Britain, as we oftentimes do, and say that we are not buying from them because they are pricing themselves out of our market, because they have not attempted to keep down prices and as a consequence we are not buying because we can get competitive materials or similar materials at competitively better prices, we ought to remember that perhaps we have been doing the same thing. As the hon. member who sat down just a moment ago said, I think we have been unnecessarily increasing the cost of production by our foolish attitude toward freight rate increases, which have nearly doubled in the past five years, and toward taxes all over the country.

The hon. member who just finished speaking mentioned the taxes which had been imposed by this government since 1935 when they came into office. The taxes that have been imposed upon many of the things that enter into the cost of producing farm products unquestionably would push up prices. At the same time we ought to remember that in addition to what this government has done there are the taxes imposed by municipalities from one end of the country to the other on farm properties and which also have tended to push up prices.

Mr. Prudham: Do not forget the provinces too.