

International Wheat Agreement

in the western provinces, and which I should like to place on record. This article proceeds to deal with an editorial in the Manchester *Guardian* of England, and makes this observation:

The *Guardian* writer proceeds to point out that any reductions in wheat prices to the sterling area would be far-reaching in their effects and then goes on:

"To take the extreme possibility, if, perhaps through the restoration of a free market, the wheat price was to fall by about 80 cents to a little more than \$1 a bushel, the sterling area would save more than \$220 million a year.

"This is more than two-thirds of the defence aid received by this country in 1952 and about a fifth of the sterling area's dollar gap last year."

Then we find a little later on in the editorial that Britain was not considering the cost of producing the wheat, but that they were dealing entirely with the large surpluses both in Canada and in other countries. For that reason they felt they were entitled to buy wheat at fire sale prices, regardless of the fact that it might bankrupt the farmers in this and some other countries.

To quote again from the editorial in the *Western Producer*:

When, over 20 years ago, the farmers of western Canada decided to work for an international wheat agreement they knew quite clearly what they wanted. They wanted to put an end to the cycle of boom and bust which had wrought havoc alike with the producer and consumer of wheat. They believed that a system which at one time resulted in \$3 wheat and at another in 40 cent wheat could bankrupt the producer and be ruinous to the consumer. They wanted instead a fair, stable price which would enable the farmer to plant his crop with confidence and would guarantee the buyer satisfactory supplies at reasonable prices.

That in my opinion sums up the matter fairly well. Perhaps in face of the stand taken by Great Britain we should remind them of some of the advantages they had in the past. By doing so I believe we can make that five-cent difference look rather small.

For the crops from 1946 to 1949 we had an agreement with Great Britain for the sale of a certain quantity of wheat. I should like to place on record the quantities of wheat we sold to Britain, and the prices they paid. I shall also place on record the prices of class II wheat during each of those years.

In the 1946-47 crop year Canada supplied Britain with 169 million bushels of wheat at \$1.55. The price of class II wheat was \$2.43. Therefore Canadian producers lost 88 cents a bushel, or a total of \$148,720,000 in that year's transaction with Britain. In the 1947-48 crop year Canadians supplied Britain with 170,600,000 bushels of wheat at \$1.55 per bushel. The class II price that year was \$2.88 so therefore the Canadian wheat growers lost

an average of \$1.33 per bushel or \$226,898,000 because of our agreement with Britain. We did not do any crying about that either. We felt that we had some obligations toward Britain and that deal was not made on a strictly business basis. We had obligations during the war and that was one way we took of paying off some of them. We did not cry over spilt milk.

In the 1948-49 crop year Canada supplied Britain with 146,342,802 bushels of wheat at \$2 per bushel. The price of class II wheat that was sold by the wheat board outside the agreement was \$2.23 per bushel. Therefore the net loss to the Canadian producer was 23 cents per bushel or \$33,658,844. In the 1949-50 crop year we supplied Britain with 140 million bushels of wheat at \$2 per bushel. The price of class II wheat was \$2.16, making a loss per bushel of 16 cents or a total of \$22,400,000.

The losses during those four crop years totalled \$431,676,844. After quite a little bit of talk, a lot of misguided talk, we received from the Canadian government a payment of \$65 million. That was simply a token payment to relieve their consciences. It still left a balance of \$366,676,844 as the loss suffered by the wheat growers in relation to the prices received by the wheat board on class II wheat.

Then lest the Minister of Trade and Commerce (Mr. Howe) and the government forget, during that same period the Canadian people were allowed to buy wheat on the same basis as that sold to the British government and the Canadian farmer thus suffered a further loss of \$136,920,921, making a total loss to the Canadian wheat growers of \$503,597,765. If the British government will take a look at these figures I think they will realize what the Canadian wheat growers have done and I hope they will hurry to sign the agreement without further delay. They still have time to do it today, and if they do not do it today they have until July 15. I hope that they will not miss this opportunity of living up to an agreement that has been to their advantage in the past, and I have no doubt would be to their advantage in the future.

Prices today are nowhere near where they should be and we have no guarantee that our costs of production will not skyrocket again in the near future. Unless the Korean situation is settled I have no doubt that there will be further increased costs of production. If Great Britain decides not to sign the agreement, then they should be treated as other buyers and pay class II prices for the wheat they get from us.

The Minister of Trade and Commerce was over there in May, 1949, I believe, but he