

International Wheat Agreement

had to pay when he brings his goods into Canada. It seems to me rather odd to talk about the British social service system having placed them in a non-competitive position as far as the Canadian market is concerned. That works two ways.

At different times I have heard the Minister of Agriculture (Mr. Gardiner) say that we cannot sell bacon on the British market because the British can buy bacon cheaper in other places; we cannot sell eggs and other agricultural products on the British market because Britain is buying them cheaper in other places. That is quite true. As a matter of fact, in agricultural products, we have priced ourselves out of the British market. And we have priced ourselves out of the British market because of certain things for which the government of this country is responsible—increases in freight rates, increases in the cost of living and in wages. All those increases have put the cost of production of certain agricultural products at a level where the products are not competitive in the British market.

So if we argue that British goods are not competitive in our market, we cannot have it both ways. Certainly our costs of production of agricultural products have increased in the last seven or eight years to such an extent that today we find ourselves in a position where we cannot compete in the British market.

I think there is a solution to these difficulties, and that solution is in the hands of this government. The taxation on various products entering into the cost of production is so high that we are priced out of the British market. The tariffs and restrictions we are placing against British goods coming into this country are preventing the British from securing the dollars necessary to purchase goods in this country. And both those conditions are under the control of this government. Until it does something in the matter, I am afraid our position will become worse.

I am quite certain that it is not just the five-cent difference in the ceiling price that has caused the British not to sign the agreement. I think it is because they want to leave themselves in a bargaining position, and in a position where they can purchase wheat outside the dollar area, if such wheat should become available. That is one of the major reasons they have not signed the agreement.

Mr. Solon E. Low (Peace River): Mr. Speaker, before going to attend a committee meeting I should like to speak briefly about the wheat agreement and the minister's statement made in respect of the resolution standing in his name.

[Mr. Wright.]

Let me begin by saying that I am thoroughly in agreement with the principle behind the negotiation of a world wheat agreement, if that is possible. The importance of that principle cannot be overestimated, so far as the farmers are concerned. Any time a world wheat agreement can be negotiated on a satisfactory basis, it will establish for the farmers a measure of stabilization during its term. That is one of the things farmers have been seeking for many years.

I do not know how they can hope to remain in business unless they have some sort of guarantee as to their returns over a reasonable period of time. They have been victimized at both ends. They have had to pay very high prices for the things they have had to buy; they have had to pay freight rates going both ways on everything they use and sell. As a consequence, over the years farmers have not been in anything like a stabilized position.

Under a world wheat agreement there seems to be some hope of establishing a form of forward price structure, together with something to count on; and I am thoroughly in agreement with that principle. But, coming to the present wheat agreement, I doubt very much if one could call it a world wheat agreement, without having Britain's participation in it. I suppose it is the next best thing that could be negotiated; and in anything I shall have to say I do not wish to leave the impression in anyone's mind that I am throwing the blame on the minister who introduced the resolution.

However, I do wish to set out some facts that we ought to consider when we are looking at the present wheat agreement. Without the participation of Britain, it cannot be called a world agreement because, according to my understanding, Britain usually takes about 30 per cent of those quantities of wheat that are exported. That is a very important part.

Then, while the present agreement does establish a ceiling price of \$2.05, the handling charge is included in that sum; and I would understand therefore that the present ceiling will be only something like 19 cents better than the old price. That is not a very great amount when one considers the prices farmers have had to pay in their cost of production.

If the price begins to fall below \$2.05 the farmers of Canada will have to accept a lower price, even if it goes down to the very minimum of \$1.55 established under the agreement. That does not look too hopeful, and I can understand how disappointed the farmers would be when they look at the agreement. I understand the present value placed upon wheat by the wheat board is