

Supply—Agriculture

of the old international wheat agreement. The only protection the wheat farmer has now is the temporary guarantee the government has given of \$1.95½ a bushel basis Fort William effective until June 30.

What about the future? What are the prospects? I think the Minister of Trade and Commerce owes the wheat farmers of western Canada a clearcut statement concerning what the prospects are for the future and whether the government will continue that floor price or whether it will be the present floor price or another one. I do not need to tell the committee that on March 7, 1963, in the city of Saskatoon the Prime Minister made a firm commitment to the farmers of western Canada that there would be a guaranteed floor price of \$2 a bushel and, moreover, that there would be a two-price system for wheat. We have never heard any more about that promise. That was a firm commitment made by the leader of the Liberal party and the man who is now Prime Minister of Canada.

I believe the government owes it to the farmers to state what the government's policy is with regard to wheat prices because since 1963, when the Prime Minister talked about a guaranteed price of \$2 a bushel, the cost of living has gone up by some 14 per cent and the cost of producing a bushel of wheat has gone up by more than that amount. This is why the Federation of Agriculture is talking now about a guarantee of \$2.12 a bushel for wheat sold in the export market and \$3.12 a bushel for wheat sold on the domestic market. Fortunately or unfortunately for the government—I do not know which—western Liberals at a conference a few weeks ago attended by the Minister of Agriculture adopted a similar policy.

It is not enough for the Prime Minister on the hustings and for the Liberals in conference in Winnipeg to talk about a guaranteed price of \$2.12 a bushel for export wheat and \$3.12 a bushel for domestic wheat unless this is put into effect. Are we to believe that the government when it makes these proposals to the farmers during a political campaign or at a political conference is simply talking for public effect and has no intention whatever of doing anything about establishing a reasonable floor for wheat prices and establishing a two-price system?

May I conclude, Mr. Chairman, by saying that no one thinks the Minister of Agriculture has a simple problem. As I said when I began, agriculture undoubtedly has been the depressed industry of Canada for a long time.

Part of the plight of agriculture is inherent in the type of economy we are developing in Canada and in North America. We are developing increasingly an economy of which a very large part is controlled by what Galbraith has called the oligopoly, a collection of gigantic monopolies which are able to establish prices of things like steel, automobiles, farm machinery and a whole score of items. These corporations are so powerful that they can generate their own capital requirements, control their own supplies and virtually set their own prices. Among them there is little in the way of competition price-wise. Their competition may be in service, advertising or in gimmicks. But the prices of the commodities in the administered section of our economy are largely set by the industries themselves.

Against this is the fact that part of our economy still operates on a competitive basis. This includes the service industries, some of the smaller industries in the retail trade, and particularly the agricultural industry. Consequently we have in our economy, on the one hand, a great oligopoly with fixed prices uninfluenced by the law of supply and demand and, on the other hand, the competitive part of our economy in which the farmers who must buy in the protected administered market must then turn around and sell in a competitive market whether they are selling domestically or overseas. They sell on the basis of competition while they buy the things they require in a protected market.

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Some hon. Members: Continue.

The Chairman: Does the hon. member wish to continue?

Mr. Douglas: I should like to finish if I may, Mr. Chairman.

The Chairman: Does the hon. member have the unanimous consent of the committee to continue?

Some hon. Members: Agreed.

Mr. Douglas: The point I wish to make, Mr. Chairman, is that of course we cannot turn back the hands of the clock. We cannot go back to a completely competitive system or reproduce the laissez-faire system of the nineteenth century, even if it ever existed. The fact is that a large part of our economy