

International Wheat Agreement

(Mr. Ross) when he says that it is time the initial prices for grain were announced. A great many farmers will be seeding in western Canada this week. Seeding will be fairly general this week if warm weather continues. They are out on the land now in my constituency.

The announcement of the initial prices for grains has been too long delayed, but it should not be delayed any longer. In establishing initial prices for grain this year the government will have to take into account supply and demand considerations. It will have to consider the relative demand for oats and barley as compared with wheat. If the announcement had been made a few weeks ago, on the basis of the initial prices, farmers might have been given some direction as to what grain should be increased or decreased in acreage. The time has come when the initial prices for wheat should be increased substantially.

The minister told us this morning that under the international wheat agreement the floor price is up 35 cents a bushel over the floor price of this year. He said that even after subtracting carrying charges, the initial price for wheat is up 20 cents a bushel. To strike a rough average I think that the 25-cent increase in the initial price for wheat this year would amply justify an increase from \$1.40 to \$1.65 a bushel. The minister has always said, and rightly, that the initial prices should not be established at such a high level that the wheat board might lose considerable money. I do not think that an initial price of \$1.65 a bushel for the coming year would be establishing the floor at an unduly high level. It is certain that the price for wheat in the coming crop year will be substantially above the initial price of \$1.65 a bushel.

A great many people have criticized the British for having failed to come into the agreement and for having stuck to \$2 a bushel when there was only a 5-cent difference separating the countries. Some have suggested to me that Britain never even offered \$2 a bushel. In reading the British *Hansard* I noticed that Major Lloyd George, the Minister of Food, stated quite categorically that Britain would have signed the agreement had the exporting countries accepted her offer of \$2 a bushel. I realize that the United States would not go below \$2.05 and the British would not go above \$2 a bushel. As far as we were concerned, we had to decide whether we wanted the United States in the agreement or Britain; we had to make a choice. I think the choice was the right one; but if Britain was too sticky over 5 cents a bushel, the United States was

in exactly the same position. I doubt whether any greater criticism of Britain is justified than of the United States, because each one was quibbling over 5 cents a bushel.

When I gave some figures the other day, on the wheat surplus in the world today and the possible carryovers, the Minister of Trade and Commerce said my statistics were all wrong. Well, I have checked them over, and I believe my statistics are a hundred per cent correct, because I have a good deal of faith in the dominion bureau of statistics. The figures I quoted were given out by the dominion bureau of statistics in their March wheat review. These statistics showed that the export and carryover for the four major exporting countries at the end of their respective crop years would likely amount to 1,468 million bushels. I estimated from that that the total carryover, or the total quantity of wheat available for export and carryover at the end of our crop year on July 31, for these four main exporting countries, was likely to be in the neighbourhood of 1,200 million bushels. I have since looked at the statistics and I still think my estimate will be quite near the mark. I estimated that Canada's own carryover would probably be in the neighbourhood of 330 million bushels on July 31. The minister shakes his head. Well, the carryover was about 200 million bushels last year, and, with the huge crop last year, if there is added only an additional 130 million bushels to the carryover on July 31 we shall be fairly lucky indeed. These calculations are based on the estimate that we sell in the export markets of the world as much wheat as we sold in our peak year, which was the past year.

If I had wanted to quote other publications I might have quoted the *Foreign Agriculture Circular* published by the United States department of agriculture, dated March 19, 1953. After saying that coarse grains, meaning oats, barley and current world supplies, were very high, it had this to say about wheat:

Larger supplies of wheat contributed most to the increase over the January 1, 1952 supply, though corn was also significantly larger. Total wheat in the four exporting countries was estimated at 2,243 million bushels, which was larger by 575 million bushels or about a third more than supplies a year earlier. Based on current estimates, the quantity of wheat available for export or carryover from current supplies in these countries is estimated at about 1,585 million bushels.

I believe those statistics show that on the North American continent in particular there is a huge surplus of wheat. I have used those figures not only in parliament but outside in order to convince certain people, who were doubtful as to the need of an international wheat agreement, that they had large supplies of wheat on hand in the exporting countries