

Supply—Agriculture

minister at all I may say that we feel that a strong protest should be made to the representatives of the United States government, suggesting and requesting that on no account shall their excess of grain be declared surplus and Great Britain be required to buy that grain with Marshall dollars. We are naturally concerned about that matter. I do not know whether the minister wishes to make a statement about it or not. That I believe is the feeling of the Saskatchewan Liberals and I believe it will be the feeling of those here representing a farming constituency. It will be noticed that in the United States congress and senate it has been advocated that wheat be declared a surplus. We representing the western farmers should make it known to the United States that we are strongly opposed to that action being taken, and that we do not think it is fair in view of what has happened between our respective countries and under the United Nations.

Last night we listened to the announcement made by the Minister of Finance. Whether we belong to the C.C.F. or to the Liberal party, we are all here together representing our constituencies. I think we are concerned rather deeply not only over the effect of the devaluation of the British pounds—over which, of course, we have no control—but also as to the effect of the devaluation of the Canadian dollar by ten per cent. Our cattle now have access to the United States at a reduced duty. In view of the fact that we now receive ten per cent more for our cattle as a result of this drop of ten per cent in our money, I would ask the minister whether in his opinion the farmers of western Canada and of eastern Canada who are exporting cattle to the United States can logically expect to receive roughly ten per cent more for their cattle shipped over to the United States. I believe that would be correct. I think the same thing will apply to alfalfa seed which is sent from northern Saskatchewan, practically all of which goes to the United States, and also to the shipment of our seed oats particularly, of which we send a great quantity to the United States.

Our friends in the C.C.F. do not like to point out the benefits of what the government does, but I think they should be optimistic enough to realize that those are effects that we can expect—ten per cent more for our farmers in connection with those products. The situation in the British market is one of concern. But again I say that we have nothing whatever to do or say about the devaluation of the pound. That was purely a matter for Great Britain herself to settle, and she has settled it. Naturally it will take more pounds to pay for Canadian farm products. But the whole object of the devaluation

—and again I do not think we should be unduly pessimistic—is that England expects to get on her trading feet, and figures that this is the way to do it. After all, I say again to my friends in the C.C.F. that they should be optimistic because in England there is a Labour government which at one time they held in high esteem. They have done that in England, and while it may temporarily hurt some of our exports, I believe the minister has stated that we have been able to export everything we have in the line of farm products except apples and an excess of wheat. That is the situation so far. I do not know whether the minister will want to make a statement on what effect, in his opinion, this action will have on our bacon market, but it would be of interest to us. I would ask him what, in his opinion will be the effect on our wheat agreement with England next year. As I understand it, it will mean ten per cent more for the western farmers. Is that correct, in the opinion of the minister?

Mr. Gardiner: I think the present position is, as I said this afternoon, that our wheat agreement provides that wheat be paid for in Canadian dollars. Therefore the price of the 1949 crop will be as has been arranged under the agreement, and the farmer will get the same as he would have got had there been no change in Britain. But on the long-time agreement which starts with the 1950 crop, the arrangement made in that agreement is that payment is to be made in terms of U.S.A. dollars as they were on the day that the agreement was signed, which means that we shall be paid for our wheat on the basis of \$1.80 in United States funds; and the reduction of ten per cent which has been brought in by this government will mean an increase of approximately eighteen cents above that, which puts our wheat for the term of the contract in this position, provided that the present thirty per cent devaluation continues in Britain and the ten per cent devaluation continues in Canada, that we will get by what we did approximately eighteen cents more, which would put our wheat back close to \$2 in Canadian dollars instead of \$1.80, which the farmer would have received had exchange remained at par.

Mr. Larson: I understood some time ago that the matter of marketing wheat under the Canadian wheat board had been fairly well settled. Many of the members of the committee know of the struggle that the farmer and the farm organizations went through to get their wheat marketing away from the open exchange. The reason this was done I will leave to your imagination, although I can explain it. But whenever we have had