

*International Wheat Agreement*

to United States funds, we received \$1.98 a bushel instead of \$1.80. We liked that; we had no complaints about it; it helped us. But when the Canadian dollar value changed and instead of being at a discount in relation to United States funds it was at a premium, we did not like the fact that producers had to take from the wheat board as little as \$1.74 or \$1.73 a bushel. That additional fluctuation has been removed from the present wheat agreement since the moneys are payable in Canadian funds.

There is in relation to the marketing of wheat an aspect of domestic policy that we have advocated in the past and that I should like to stress again today. A custom has grown up of connecting the price the domestic consumer pays for Canadian wheat to the price paid in the international wheat agreement. Over the years the farmers have been advocating parity prices. I think the stand taken at present by the three farm unions, in advocating that wheat going into domestic consumption be based on parity, is a good one. I think they are advocating a sound principle. All that would mean is that the price of wheat going into Canadian consumption would be tied to a cost-of-production index. Every other industry in Canada has a parity price, if I might so define it. There is not a major industry in Canada that, when its goods are sold, is not certain that they will return to it sufficient to cover the cost of production, to pay a return on capital and to leave some additional surplus. The major implement companies and oil companies so set their prices that, year in and year out, they have a return on account of capital. As I say, every major industry in Canada has a parity price. They can get their own parity price by establishing the prices for their commodities. It is only agriculture that has to take a varying price that so often has no relationship whatever to the cost of production.

The floor price in the international wheat agreement is \$1.55 a bushel. That is an improvement on the floor price that appears in the previous wheat agreement. If one considers the freight and the handling charges, the \$1.55 a bushel will probably result in an effective floor price to the producer of \$1.30 a bushel at his local marketing point. That is not a high price. It is not even a good price. But it probably is a price that will allow the farmer to stay in business if prices should fall to that level. The floor price is just as important as is the ceiling price, and the \$1.55 a bushel constitutes a guarantee to the farmer that is a real advantage.

Another reason I am glad to see the wheat agreement being presented to this house is this. I feel that the wheat board system of

marketing grain is far more secure—particularly under the present government—with an international wheat agreement than it would be without one. I think that when we have an international wheat agreement, it is almost necessary then to have a government agency handling the marketing of grain. Without an international wheat agreement we might get the grain exchange opened again for wheat. I for one would not be nearly as certain that the wheat board will be maintained as I am when we have the additional stability resulting from an international wheat agreement.

This government is a fairly recent convert to the idea of planned marketing for farm products. This government does not believe—and has never said it does—in a planned economy; but the government has come around to the point that it is willing, through international arrangements, to do some planning in relation to the marketing of wheat by continuing the wheat board as the sole marketing agency for wheat. It is willing to place government planning in the field of the marketing of wheat, and that is all to the good. This government has been in office now for some 18 years. In the first eight years, from 1935 to 1943, we had a wheat board that was in and out of the grain business because it was allowed to purchase grain only when grain was offered to it; and the grain exchange was allowed to function at the same time. Therefore, from 1935 to 1943, the old wheat board functioned only when the grain exchange price was substantially under the wheat board initial price.

I should like to see the government go one step further in its grain marketing legislation. The wheat board now handles the marketing and the purchasing of oats and barley. Some oats and barley are marketed through the grain exchange. Other quantities are marketed directly. I should like to see the grain exchange closed as far as the oats and barley futures are concerned. Indeed, I would go one step further and say that I should like to see the government bring all grains under the wheat board with respect to marketing. I should like to see the grain exchange closed, the door locked, and the key thrown away. That is something that is going to happen sooner or later. The trend is towards closing the grain exchange. If a vote on it were taken amongst producers, I am sure that 90 per cent or more of them would vote for having the wheat board handle the marketing of all grain.

We are pleased that the government has come as far as it has come in using the wheat board as a marketing agency, but we should like to see the board's operations extended. I agree with the hon. member for Souris