

*Wheat Export Prices*

barter system would be a good idea. This is another sort of progressive recommendation from one who avowedly admired the liberalism of Laurier and Gladstone. I am sure that he might have found the conservatism of disraeli and Macdonald somewhat radical even for him.

In any case, the barter system just does not work in respect of commodities as great and as important as wheat to Canada. We cannot possibly get involved in a barter system in respect of our grain or we immediately are going to start facing demands from some of our larger potential customers, and our larger customers in the past including Red China and so on, who are themselves short of cash, who will insist on dealing with us on barter terms when it comes to buying our grain. We must maintain the integrity of our marketing system.

None of this denies the fact that there is a real cash problem which has been well identified by the opposition, for which they are to be congratulated. It would seem from the speeches of the Minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of agriculture (Mr. Olson) that these problems had indeed previously been identified and that many worth while steps had been taken to meet them. However, the cash shortage is there, and certainly some farmers are suffering very seriously.

I do not share the feelings of the Leader of the Opposition that all deserve help regardless of their assets. I do not really believe that we should indulge in this area in another program of universal assistance when we have disavowed such programs for the future in any case. We must provide cash for farmers who find themselves in real need because of the failure of the grain market. We must be selective in this provision and we should, if necessary, resort to a form of means test. I do not think there is much point in trying to solve the cash problem unless we can also try at the same time to solve the market problem.

One thing that the government might consider is the possibility of seeing whether there are not markets for No. 5 or No. 4 grain, which we are not in a position to sell. We could then let our assistance program take the form of paying all or part of the spread between the price we can get for grain of those grades and the value or the price of the actual grades delivered. In this way we might solve both cash and market problems. The types of advances being recommended on acreage payments and so on will leave us

next spring with the same problem we have today, intensified by whatever surplus we might enjoy from this year's crop, and it looks as though it is going to be a pretty good one.

The two price system has been advocated. Roughly speaking we consume for domestic purposes about 10 per cent of what we have grown in the last few years. The two price system involves fundamentally a tax on the consumer to support the producer in this area. Once this idea is introduced, it will be a simple matter to sit here regularly in this House of Commons listening to the extent of the grain farmers plight and determining just how much the city and town dwellers are going to be taxed by way of extra cost for their bread in order to make up this difference. I think the two price system is a very dangerous thing, and we should avoid it altogether if we can.

Certainly, the long range solution is diversification. This has been recognized by such eminent authorities as Premier Ross Thatcher and the Hon. Alvin Hamilton, a man who is at least regarded in some quarters as being an expert in this area. Certainly, a reduction of wheat acreage is absolutely essential.

I do not see that our economy can possibly support a U.S. type system under which we would be making continuous payments to maintain land out of production. I do not see why we cannot utilize the same sort of programs here that are utilized in the maritimes, and places where industry has fallen into distress, where relocation grants are given to people who are willing to change their vocation. It is questionable indeed that taxpayers should have to pay for something that farmers might well have done for themselves and which, in many cases, progressive farmers have in fact done. These are not miners or people employed in Cape Breton coal mines. These are basically self-employed businessmen, with wide discretion as to how they should handle their affairs. When they find themselves in some trouble we very definitely must give them assistance, but the programs that we advocate in this area must be selective; they ought not be universal.

**Mr. S. J. Korchinski (Mackenzie):** After listening to that last word of authority on this problem, I am somewhat taken aback. I felt that this was perhaps another Senator in the making. One of the suggestions he made was that there was a need for some sort of assistance to the western economy. Naturally, this would include the province of Alberta. The