

Speech from the Throne

Surely no one would suggest that we are in a position to set a world grain price. Surely we know more about merchandising than that. After all, we are competing with countries which have greater access to markets by virtue of the tremendous volume and diversity of their total production—I have in mind our good friends to the south—as well as with countries such as France and developing areas whose technology we have assisted. In fact we have turned some of our customers into competitors.

I agree, though, that the price is low and I am hopeful we shall find means of persuading our grain trading partners to return to a world grain price arrangement. This subject was touched upon during our meetings with United States legislators this past weekend. I am convinced our views were received with a good deal of sympathy. It was stated on more than one occasion that such a move would be of assistance to the grain industry throughout the world. So there is hope that we shall be able to bring this about.

We shall not, I hope, get back into a heavy surplus position. On the other hand, I trust that, especially upon the advent of the two-price wheat system, we shall not neglect to establish inventories which will enable us to carry our share of the load when it comes to the distribution of grain on a world wide basis.

May I call it six o'clock, Mr. Speaker?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Pringle: Mr. Speaker, when the House recessed at six o'clock I was discussing problems relating to the sale of grain and was suggesting that we control our inventory in Canada to the point that, while we would be able to export grain in similar fashion to sales in the current crop year, we would not expect wheat suddenly to become a product in excessive demand by virtue of our two-price system.

If I may, I should like to congratulate the Minister of Agriculture (Mr. Olson) for the attention he has paid many aspects of the agricultural industry. For example, the Farm Credit Corporation has expanded its loan ceiling and we can expect further amendments to the Farm Credit Corporation Act this year.

I believe, as most members on this side of the House believe, that planned production along with market research is of utmost importance. In order to plan our production and establish realistic inventories we must make sure that we know what the demand for our products is likely to be. A lot is said about production in this country. People say we should not export our resource materials but export only secondary products, products that have been processed in Canada. But very little do I hear about market availability. Industry or business must not only be able to produce but must be able to market that which it produces.

It is true that we have been dependent to a degree on industrialists from south of the border with their 220 million domestic customers. Although Canada adds

another 20 million customers, when you take into consideration the unit cost of production, 20 million people do not really amount to much when it comes to establishing plants in Canada simply to serve the domestic market. We know these people are experienced in business and that they invested their high-risk capital in Canada. This high-risk capital is within the jurisdiction of Canadian law, but at the corporate level business can be influenced to a degree by other legislation, such as the Trading with the Enemy Act, the provisions of which I understand are practically non-operable at the present time.

I suggest that in light of the travelling being undertaken of late by the President of the United States, the missions that are being sent to Communist countries which up to now have been considered enemies, and when we realize the large sale of agricultural products to Russia amounting to \$130 million or so in return for a rather large plant, Canadians must scrutinize capital investment rather carefully and discerningly. There is nothing in the world to stop my hon. friends in the New Democratic Party setting up secondary manufacturing plants in Canada tomorrow. Certainly there is no law against it. If they can find the markets and can exploit them to the point where they can compete with those who already have those markets and have established subsidiaries in Canada, then that is fine.

A few years ago we tried to establish in the beautiful Fraser Valley of British Columbia a plant for convenience foods. We could not find enough money locally because of the fact that it was really a risk proposition, although there were offers made from large food corporations in the United States. Here, again, we have been discussing these problems with our United States friends over the weekend. We have been discussing with them their inflow of capital. We have suggested that their balance of trade must be balanced out with a consideration relating to capital, and that if we are to be required to send our dividends and interest across the border then we must have consideration in trade. But we have to take into consideration what one of the senators said, that it is very difficult to have it both ways. As another senator said in the deliberations, if we do not want their plants, do not want jobs for our workers or do not want to take advantage of the markets they have for our products, then we should simply say so and they would be glad to expand their own.

In relation to these enterprises I would say we seem to consider profit in some areas as a kind of dirty word. It was suggested by the previous leader of the NDP that profits are not the answer and that all they do is pay for automation. But profits represent risk capital, and I submit that any profits as surplus funds represent risk capital and that jobs come from people willing to risk this capital. Unless we are prepared to risk it and to be certain that our industry has sufficient profit to risk, then we will not have the jobs that are required. I believe the employment picture is one of the most important aspects we must consider at the present time.

I should also like to thank the many cabinet ministers who have gone into the riding of Fraser Valley East as requested by the Chambers of Commerce, the various service clubs, the agricultural organizations, the brokers and other people interested in finance. I have been very fortunate in receiving great assistance from at least seven cabinet ministers. Not long ago we were fortunate to have the Minister of Consumer and Corporate Affairs spend