

*Wheat Export Prices*

15 per cent. As a result of Canada's indecisive response to these new changes our wheat exports declined by almost 40 per cent. I hope the minister will correct me if I am wrong in any of these assertions which I believe to be correct.

As I say, recently the minister and the government seem to have been following the market downwards. I should have hoped that long ago Canada might have been able to convince the United States that there was to be nothing gained by cutting prices. One does not extend the market to any extent by reducing prices, because the demand for wheat is inelastic. Canada and the United States have basically the same interests in maintaining a solid basic price for wheat, yet Canada seems to have failed completely to convince the government of the United States that it is in the interest of the two governments and the two countries to act in concert.

The price reductions announced toward the end of last week by the United States represent further confirmation of our failure in this regard. I wonder whether part of our difficulty can be related to the fact that the Canadian government may not have a very good odor so far as the government of the United States is concerned. Whatever the reason we seem to have failed.

As a consequence our farmers have what appears to be a record backlog of wheat on hand. However, there is another side to this matter in terms of the proportion of total wheat sales. Wheat in storage is not as large in percentage terms as it was ten years ago. In the past a succession of good growing years was frequently followed by poorer crops in a number of countries which were normally big suppliers. We know that in the past any surplus or storage of wheat was usually used for a good purpose in the end. I do not think we should be too pessimistic. We should not assume that just because we are in these present difficulties the market will continue to deteriorate over the long run, or that the market for wheat will be weak in the long run.

The Prime Minister seems to have accepted the point of view that over future long terms of adjustment there must be less wheat grown in the west. If that is the case I think he certainly owes it to the wheat farmers of the country to tell them what the plan is, and indicate what methods should be used to reduce wheat production. Certainly we have to recognize that all the farmers who are growing wheat cannot turn to producing

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something else. A lot of their farms are not adaptable to other crops, and certainly not adaptable to the production of beef.

It is not good enough for the government of Canada to talk about a decrease in the market and a need for adjustment and change, and just leave it at that. It is not good enough just to tell the wheat farmer that there is a glut of wheat in the world and that he has to turn his hand to something else. If the government of Canada is convinced that the outlook in the long term is bad, then let it produce a program which will provide for some orderly adjustment.

Surely part of any such program must take the form of some assistance in the short term, because there is a back-up on the farms. Farmers are strapped for cash, and this is having a backing up effect in their communities and throughout the whole region. Surely there is an urgent requirement for the immediate infusion of assistance into this great industry.

I heard the Acting Prime Minister last week—the Secretary of State for External Affairs (Mr. Sharp)—say on television that it would be contrary to the government's anti-inflationary program to provide any cash assistance to the western wheat grower. I think that is rubbing it into the farmer pretty badly. Surely there is nobody in the country who has suffered more from the squeeze created by inflation than the western farmer, or the farmer generally. For the official spokesman of the government to tell the western wheat grower that much needed assistance cannot be granted because it would be contrary to the government's anti-inflationary program is really rubbing it in where it hurts.

Does anybody seriously contend that it would add to the inflationary forces in western Canada for such assistance to be granted? Does anybody seriously contend that the situation in the wheat growing areas contributes to the inflationary pressures in Canada today? What has happened to the selective policy of the Minister of Finance (Mr. Benson)? I refer to those anti-inflationary measures to be applied where there are inflationary pressures. Has this policy been abandoned or does the Minister of Finance and the government envisage that the budgetary surplus will be of such a size that the government cannot grant some assistance where it is badly needed, not just to shore up the farmers but to prevent a serious breakdown in the economy of this whole region?