

Wheat—Marketing of Surplus

Mr. Rowe: Is there one with West Germany?

Mr. Howe (Port Arthur): No, they sell for dollars to West Germany. Germany is practically a hard currency country today. Any country can apply to the United States for the purchase of wheat and for payment in the local currency, but they do not seem to do that. The reason is that a debt in local currency is just as difficult for most countries as a dollar debt and people prefer to trade in the currency of the country where the purchase is made.

Now, there is another fallacy, namely, that there are millions of starving people in this world who would be glad to get the wheat if someone gave it to them. I wish people who make that statement would just tell me where those people are and how we can get wheat to them. Pakistan had a bad time and the United States and Canada helped them. We gave a certain amount of wheat to Pakistan against Colombo plan funds. The United States I think gave a very big quantity of wheat. What happened? Pakistan was just not able to take all the wheat that the United States offered them and has not taken it to this day. Why? Because they could not put it into consumption.

Everybody suggests that India is a country that would be delighted to take gifts of wheat. India happened to have very good crops last year. The monsoons came at the right time. They have not been purchasers of wheat except to a very small extent and then mostly for milling and reshipment. They are not needing wheat as a gift from anybody and would not take it if it was offered.

Those are the areas most often spoken about as being the possible recipients for great quantities of wheat to feed starving people. I do not know of any. If my hon. friend knows of a place, I think we would consider very carefully helping out starving people wherever we find them; but I do not know where they are. I wish my hon. friend and other hon. members of this house who keep referring to the fact that there are starving peoples who would be glad to take large quantities of surplus wheat if we were willing to give it away would just remember these facts.

After all, the wheat trade of the world is one of the most ancient trades of all. Wheat has been moving between countries for, I suppose, a thousand years or more. Certain practices in the trade have developed, and those practices are just as good today as they were at any other time. Most countries prefer to deal in wheat as they have always dealt in it, namely, to buy it where they can buy it most cheaply on the basis of quality and

to pay for it in the currency of the country that supplies the wheat. Until I hear of many more sales in local currencies or of many more countries asking for the gift of wheat, I shall continue to believe that the methods of disposing of wheat being followed by the Canadian wheat board are those that are acceptable to our customers in all parts of the world.

As will have been noted from the figures I quoted for world consumption, world consumption is substantially down this year. Why? Because almost every country in the world had a bumper crop of wheat. Countries that have never exported previously have become exporters of wheat this year. Sweden has been a substantial exporter of wheat, as was Turkey. France has been exporting considerable quantities of wheat. France has been exporting more wheat than usual, although France in some years is an exporter and in other years is an importer. It is a country that is almost in balance of production against consumption.

We have had an unusual year and, of course, we on this continent harvested our third greatest crop. It is a problem we have to deal with. It has been said that the producers in the west are having an extremely tough time because they cannot deliver their wheat. May I point out that they are delivering the normal quantity of wheat, or more than the average of the past ten years.

Mr. Castleden: Their production is almost twice as large.

Mr. Howe (Port Arthur): I know their production is great; and if they could market it all they would have twice as much money as they have now. All I am pointing out is that they are marketing the normal quantity of wheat and they are receiving the normal income averaged over the last ten years.

Mr. Castleden: Is it not true that at the present time the figures are about 170 million bushels short of what they were last year?

Mr. Howe (Port Arthur): I know. Last year was an extraordinary year. I have read the figures. It was the greatest marketing year that this country has ever seen. We never before sold nearly as much grain in a year as we sold last year. I wish the world consumption of wheat every year would permit us to sell that quantity of grain as our share of world markets. Unfortunately the number of bushels that make up our share of the world market depends on the over-all size of the world market. This year the total amount of wheat entering world markets is much smaller than it was last year.

As I say, we had representatives of western Canada in Ottawa at the agriculture