

that would assure that the aggregate of sales in the domestic and export markets would return to the farmer his fair share of the national income.

(3) Continuation of the wheat board as the sole marketing agency for wheat, oats and barley, with the inclusion of flax and rye.

(4) Expansion of terminal storage for grain so the desired reserve of grain might be carried without interfering with the normal handling of the current crop.

(5) An all-risk national crop insurance act, along similar lines to that in the United States.

(6) The expansion of markets for farm products—(a) in the domestic market by the equating of effective purchasing power with the aggregate of prices of goods available for sale; (b) externally by making surplus products available to all nations that are unable to obtain them through the normal channels of trade by acceptance of foreign currencies, barter deals and, in cases of extreme distress, by gifts.

I do not think it is necessary to comment on any of those points at this time, with the exception of the last one. I want to say a few words regarding section 6(b) of the proposal.

We have consistently urged in this house since 1944 the need for nations to be willing to accept the currency of the nation that accepts their exports. The reason for that of course is obvious. What is the real purpose of international trade? The real purpose of international trade should be the exchange of goods and services on the basis of mutual advantage, and provided you are going to carry on trade on that basis the only currency you really need is the currency of the importing nation.

In 1953 we drew the attention of the government to the proposal of the United States to accept foreign currency. I remember that at that time the Minister of Trade and Commerce and the then minister of finance, Mr. Abbott, tried to ridicule the idea, and suggested they did not think any country in the world would be willing to buy more food from us if we were to accept their currency. They expressed the opinion that the United States would not get very far with their program; yet today, month by month we are losing markets to the United States. The United States program in regard to the acceptance of foreign currency in making their surplus goods available to other nations is proving to be highly successful. I should like to quote briefly from the *Western Producer* of January 31, as follows:

U.S. News and World Report, under the heading "One Farm Policy" that's beginning to Work" does to a certain extent outline what is being done.

Again:

In a year of record crop production, more commodities have moved out of the storehouses than have moved in as a means of supporting prices paid to farmers.

And again:

In effect, a two-price system has been set up. There is the domestic price at which government supports farm products. Then there is the second price, set at the level needed to move the surpluses into consumption abroad. Immense sales abroad have followed the decision to use the two-price policy.

And again:

Under this law, farm products worth \$2,800,000,000 have been sold—at world market prices—to other nations for their currency. The U.S. uses this currency, which can't be converted into dollars, to pay expenses it incurs in these countries. Much of the money, around 50 per cent thus far, has been loaned back to the purchasing countries for economic development—building of dams for power and irrigation, construction of roads and similar projects.

In barter deals under this same 1954 law, \$800,000,000 of surplus has been traded to other nations in return for strategic materials.

And again:

The government's salesmen of surpluses, however, are optimistic, says Earl L. Butz, assistant secretary of agriculture:

"We are learning to use these surpluses as a positive factor in our foreign policy. These donations to other countries for relief of famine, flood and other disasters, plus the sales for foreign currency, are making friends for us in many countries that we're trying to keep from slipping under Russian domination.

And the fact that our dollar sales not only are holding up but increasing shows that these donations and foreign-currency sales aren't just taking the place of deals that could be made for dollars."

And finally:

The mood of agricultural department officials and of congress indicates that the government's surplus policy is to continue. The demand for U.S. surpluses indicates, too, that there's a vast overseas market to be tapped as long as U.S. taxpayers continue to foot the bill and make the price right.

If the government hope that the United States are going to discontinue that program they are evidently going to be badly disappointed, because today they are finding that surpluses are moving out of their warehouses at a faster rate than they are moving in. The United States are making food available to hungry people under a variety of measures, and with those measures are creating a great deal of good will in the world. The farmers are paid a support price. The treasury foots the bill and it is considered sound business.

I do not think anyone in this house will suggest that generally speaking Americans are not good businessmen. They consider that policy to be good business. It is good for the farmer who can get rid of his products and who is paid a satisfactory price. It is good for the country because it is making friends with foreign countries. It is good