

Supply—Trade and Commerce

In view of that statement we considered that the articles of the international wheat agreement of 1962 were renewed. If you look at articles 13 and 14 of that agreement you will see they set out and define "minimum". The minimum is the floor price. I will have something to say about that in a few moments. That is what the western farmers fought for for many years, so they would know when they produced their wheat they would receive at least the floor price for their commodity.

This is what happened in 1929. In 1929 the price of wheat was about \$1.40 a bushel. I was a boy on the farm at that time. Within six months the price had fallen to a price of 20 or 30 cents a bushel. As a result there was bankruptcy and insolvency on the farms and it took seven or eight years to recover from that situation.

We heard from the minister on June 5 that the administrative articles of the wheat agreement had been renewed and he set out the maximum and minimum prices. At page 15 of the international wheat agreement of 1962 I find this:

If any exporting or importing country is making wheat available for purchase by exporting or importing countries at not greater than the minimum price, or if such a situation appears likely to arise, the executive secretary shall, after bringing the matter to the attention of the advisory committee on price equivalents and communicating as that committee may advise with the country concerned, report the situation to the executive committee.

In other words, if any country is selling wheat at below the minimum price, it is reported to the council that governs the matter and sets the minimum and maximum prices. The maximum price protects the importer and the minimum price protects the producer. What is the situation now? The minister says that the agreement has not been finalized. I ask, are we in a new vacuum in this respect? I suggest that we are. Will the importing countries which have been buying wheat from the United States, particularly Japan, at a price below the minimum come forward now,—the 52 countries concerned—no matter what was discussed at Geneva, and sign an agreement which will mean they will pay more per bushel for their grain? There may be further difficulty in crystallizing and finalizing the international wheat agreement.

I and the farmers of western Canada believed when we heard those answers from the minister that the agreement was being continued and there was a minimum and maximum price in respect of wheat. If there was

agreement, we believed there was an obligation on the part of the United States, Canada and other exporting and importing countries to live up to the minimum and maximum prices set under the new agreement when the 52 countries met. Perhaps this was not done because of some failure on the part of the minister. I hope the minister will explain this later.

In any event, the United States decided they would get our markets. The United States seized this opportunity when there was a vacuum in the agreement, when the agreement did not operate. They seized the opportunity to sell their grain to Japan and perhaps to other countries because their exports were dropping off. Their export markets were dropping off seriously in August and they decided to take over the Canadian markets. Exports from that country had dropped to the extent of not quite 100 million bushels.

The loss of markets is just as serious as a reduction in price, because without sales there cannot be any prosperity on the farm. I remind the minister that back in 1956 when he was a member of another government, when Mr. C. D. Howe, the then minister of trade and commerce went out west, there were 700 million bushels of wheat piled up on the farms, unsold, with no quotas; and without quotas there cannot be any prosperity on the farm.

Today we face a serious situation. Not only are exports dropping off, but for weeks the government has dillied and dallied in connection with the strike of the S.I.U. and no grain has moved out of Canada. Today most of the grain is still in bins on the farms of western Canada. It is no good paying a bonus in respect of the price of wheat if that commodity remains unsold. Therefore, this is not much of a promise; it is merely an attempt to cover up a problem.

The government felt they had to bail themselves out as far as the farmers of western Canada were concerned, so they said: We will bonus you for any loss in the price of grain. But if grain cannot be sold, what good is that bonus? Why has the government got into this situation? Let us see what has happened. As the Minister of Trade and Commerce knows, the wheat board used to be under the jurisdiction of the Minister of Finance. In April 1963, when the Liberals came into office, the Minister of Finance went to Edmonton and Regina and said that the former minister of agriculture, the hon. member for Qu'Appelle, had been wrong in telling the farmers to produce wheat. The minister said