

*Wheat Export Prices*

**Mr. Olson:** You mean Alvin Hamilton?

**Mr. Asselin:** He was a good minister.

**Mr. Gundlock:** It can be done. All it requires is good management. To say, in Canada or anywhere else in the world, "There is too much wheat; do not grow it" when there are millions starving and millions half starving just does not add up.

As I said a moment ago, if you deal with your allies and so-called friends properly, you will not have that problem.

**The Acting Speaker (Mr. Béchard):** Order, please. I regret to interrupt the hon. member but his time has expired. Is there unanimous consent to allow the hon. member to continue?

**Some hon. Members:** No.

**The Acting Speaker (Mr. Béchard):** I regret but there is no unanimous consent.

**Mr. Forrestall:** Chopped down by the minister.

**Hon. H. A. Olson (Minister of Agriculture):** In case the last remark was recorded in *Hansard*, may I say that the Minister of Agriculture did not chop anybody down.

I welcome the opportunity this evening to talk about the problem which we have in the wheat economy in particular, and in the cereal economy in western Canada generally, because I have just spent a few days in western Canada talking to farmers from many parts of that area where wheat and related products are an important base to their agricultural enterprises. I do not believe that a good purpose can be served at this time by reviewing the international situation and trying to analyze what should be done in those areas where we, as the government of Canada, only have the power to persuade, to discuss, and to try to influence representatives of other governments. I believe that the Minister of Industry, Trade and Commerce (Mr. Pepin) adequately covered that in the debate earlier today. However, I believe that an additional explanation should be given of several measures, and of one measure above all others, that this government has taken to alleviate the situation with respect to cash flow through the grain economy in western Canada because of the restricted markets or the contracted markets as compared with a couple of years ago.

It seems to me that the most useful thing that we could do at this stage is, first of all,

[Mr. Gundlock.]

to analyse the problem and see if we can agree on this before we try some of the so-called shotgun assistance programs that have been advocated by the opposition and by others as well. I think that all members in this house, even those who come from the grain growing areas in the prairies, will agree that the major problem today is the cash flow in the hands of those people who rely almost exclusively on the sale of wheat and other grains. It is not that they have no product to sell or that their assets have been reduced, bringing them down to the poverty line. The fact of the matter is rather that they have some desperate problems in some cases because the cash flow has been reduced substantially from what it was in 1964, 1965, 1966 and part of 1967. There is no argument about that so far as I am concerned.

• (8:20 p.m.)

Surely, the obvious answer to this problem is to substitute a program that will provide a significant flow of cash. I suggest the government has done this. There is one other kind of problem some farmers in western Canada are having, as well as those in other parts of the country. I refer to restricted net income, that is, income that is not at an acceptable level because of the so-called cost-price squeeze.

Let us get back to the other problem about which the opposition are complaining. I am not criticizing them for complaining, because it is a very real problem. I refer to the problem of the contraction and restriction of the cash flow necessary to meet commitments for operating, capital requirements and income on which to live. If this is the problem, we ought to institute a substitute program which would provide the cash flow required. I suggest we have done that. It seems to me—this was drawn to my attention rather forcibly during the last few days I spent in western Canada—that there is a misunderstanding, or at least a lack of understanding, of both the significance and the magnitude of the cash advances program that will become effective August 1, 1969.

Let me deal with acreage payments. There are 84 million acres on the permit books of western Canada. If we were to make an acreage payment of \$1 an acre, or even \$2 an acre, to most farmers in western Canada who are suffering severe problems in obtaining enough cash to meet their current operating requirements, it would not be enough. On the other hand, there are millions of acres of the 84 million involved in connection with which