

Supply—Trade and Commerce

to me that all the nations participating have a moral obligation to observe the floor price to which they agreed. Technical difficulties in completing the final document should not serve as an excuse to break the floor."

Behind the increasing competition lies the fact that world production is up so wheat exports are slowing and stocks are rising. At the end of the crop year, July 31, Canadian exports totalled 482.4 million bushels compared to 545.3 million the year before. During August exports of 21 million bushels amounted to a third of the exports for the same period in 1966. Stocks too were up 67 million bushels.

Let me come quickly to my point. After we had asked for an adjournment of this house to discuss this very serious matter, after we asked the Prime Minister what would happen as a result of the 22 cent drop in the price of wheat, and following a great deal of pressure on this side of the house, the minister got up this afternoon and said to the farmers of western Canada and the country that the government intends to pay bonuses out of the treasury to western farmers because the United States has sold wheat below the price of the international wheat agreement. In other words, the taxpayers are going to have to pay for the reprisals of the United States against Canadian competitors.

While this was going on we were losing our markets, particularly in Japan. The minister may have remedied or patched up momentarily the difficulty, and may have satisfied western farmers. However, as the minister said in his opening remarks, the sale of wheat and the price of wheat, in spite of these agreements depends on the law of supply and demand. The demand existed and it was being met by Canada. During this interim period this demand was being met by the United States and we have lost important markets.

What was it that put the farmers and farm organizations in the position of believing that they were secure under the international wheat agreement? In the few minutes I have I should like to refer to what the minister said on May 15, 1967 as found at page 222 of *Hansard* for that date. Let me read one paragraph to point out what the minister said to get headlines across this country and which left the impression that wheat would sell for 21 or 22 cents a bushel more. On that occasion I replied to the minister that I hoped the farmers of western Canada would not believe that they were going to get the 21 or 22 cents a bushel more. This is what the minister said:

While it is not yet possible to make public detailed results because not all GATT countries have, as yet, had the opportunity of agreeing to them, I can say with respect to wheat that the basic elements of a new international wheat agreement have been agreed between major exporting and importing

[Mr. Woolliams.]

countries. We have achieved a significant and welcome increase in international minimum and maximum prices for specified qualities of wheat, and substantially strengthened arrangements for co-operation to maintain market stability. For No. 1 Manitoba northern, in store at the lakehead, new minimum and maximum prices will be \$1.95½ and \$2.35½ Canadian respectively.

To be fair to the minister, he corrected those figures the next day when he pointed out:

The maximum price for wheat at the lakehead and at Vancouver under the agreement announced yesterday should be \$2.38½ and \$2.46½ respectively instead of \$2.35½ and \$2.43½ as they appear in *Hansard* at pages 182, 183 and 222.

• (4:10 p.m.)

The spread of 40 cents between minimum and maximum is in U.S. funds. The above corrected figures provide for the conversion to Canadian currency at current rates.

The hon. member for Burnaby-Coquitlam on that occasion asked the minister this question:

Mr. Speaker, may I ask the minister whether this will change the 21 cents increase over the previous price increase mentioned by the minister, or will that still stand?

The minister's answer was as follows:

The 21 cents figure still stands.

I suggested to the minister on May 15, 1967, that he left the impression—he did not do it deliberately, by any means—with the farmers in the country and members of parliament that the price of wheat was going up 21 cents immediately. You can understand the reaction out west when they found that the price of wheat dropped 22 cents. They felt there was a 43 cents spread between what the minister had said in the house and what was happening economically in western Canada as far as wheat was concerned. That statement was made on May 15, 1967. The minister referred to what I read yesterday from page 1134 of *Hansard*. The hon. member for Humboldt-Melfort-Tisdale said:

Mr. Speaker, this a very important question and should be answered right now, for the simple reason that the farmers in the west have planted their wheat and are waiting to know where they stand in light of the new wheat agreement.

The minister replied:

Mr. Speaker, I think I can answer this very briefly. On June 1 our ambassador in Washington did sign on behalf of the government of Canada a protocol extending the administrative articles of the 1962 wheat agreement until July 31, 1968, with provision for earlier termination in the event of a new agreement covering wheat coming into force before that date. This action was recommended by member governments of the international wheat council at its 48th session last April.