

*Wheat Export Prices*

figure in order to sell wheat will be borne by the treasury of Canada.

I suggest the government must do a great deal more to implement the Prime Minister's commitments of June 2 than it has done today. The Prime Minister said he was confident of Canada's capacity to grow and sell wheat. If it is really going to do what the Prime Minister said, then the government must be prepared to embark upon an aggressive sales policy.

The Minister of Industry, Trade and Commerce has been very coy in telling us what has happened to the agreement with the Soviet Union, which expires at the end of this month, and under which roughly 165 million bushels have not yet been accepted by Russia. What have the minister and his department done about getting the Soviet Union to accept the balance of this contract?

I am told by those who visited the trade fair at Budapest that the Canadian government was not even represented. But the province of Ontario was represented. The British government was represented and the United States government was represented. Canada was not represented at all. I am told that Ontario had a pavilion there. That may be news to the minister. Perhaps the minister does not know what goes on in world affairs.

• (3:30 p.m.)

**Mr. Pepin:** We cannot take part in everything.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** No, but any man who is a minister of trade and commerce of a country which has such an agreement under which 165 million bushels of wheat are still to be sold, should have a representative at fairs held behind the Iron Curtain or in any country which is likely to be interested in securing Canadian wheat. The minister has not told us, for instance, whether there is any possibility of renewing that agreement or extending it so that we would still have some hope of selling these 165 million bushels. The minister has not indicated whether he is carrying on any discussions with wheat importing countries regarding bilateral trade agreements.

I notice, for instance, that Great Britain made very large sales to Roumania of equipment for irrigating land and is receiving wheat and other foodstuffs in exchange. I notice that France has been taking payments in the form of goods from other countries,

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

and that the United States has been taking partial payment either in soft currency or in goods. To what extent are the full resources of the Department of Industry, Trade and Commerce being put behind the Wheat Board in order to enable that body to sell wheat in competition with other countries?

If Canada is to sit back and say "Cash on the barrelhead", while everybody else is working out agreements for long term credit, or partial payment in goods and partial payment in soft currency, we will continue to sit here with one billion bushels of unsold wheat. The responsibility lies squarely on the shoulders of the government to see that we sell more wheat and to realize that in order to do so we must use the techniques of our competitors. We cannot continue to use the methods that were adequate when there was a shortage of wheat in the world and we were in the fortunate position of having a surplus.

I hope the minister, when he reports to the house, will tell us just how much wheat and flour have gone into our foreign aid program, and how much it has increased each year. Also I would hope he would tell us what is being done to extend this program for the disposal of western wheat and Canadian flour.

May I conclude by saying I regret that the attitude of the Prime Minister and of the government generally seems to be that we have a surplus of wheat in the world, that this is a tragic situation, that there is nothing we can do about it except make some cash advances which will not solve the problem for the farmer who still has wheat which he cannot sell after he has filled his quota, but which has cost him a great deal of money to produce. Is the government taking the position that we are in a hopeless situation and the only answer lies in allowing the farmers to go broke and be pushed off the farms, or in reducing the number of farmers and consequently reducing the amount of wheat produced? This is not the answer.

If the government want diversification, they should say so. They should bring down a diversification program, as the Federation of Agriculture suggested and provide \$160 million this year, which would be reduced each year by \$40 million, which would be used to help farmers transfer from grain to beef. If they do that they will have to stabilize the market and give the farmers some assurance that if they produce beef they will be able to sell it, and will not be told that there is no market for beef and that they should go back to producing grain.