

*Supply—Agriculture*

is now controlled; it has administered prices and we will not be able to abolish that. We must now look at the competitive part of our society which has no protection and which, as I said, must buy in a protected administered market and sell in an open competitive market with very disastrous results. Therefore, what Canada needs is a national agricultural policy that will take cognizance of the fact that if agriculture is left to sink or swim in this kind of economy it does not stand a chance of survival.

This means there are a number of things that this or any government in office must do. It must take some steps to protect the agricultural producers against unfair competition. The greenhouse industry, the potato growers and the dairy farmers are already experiencing this kind of unfair competition.

I am not suggesting that we build great tariff walls behind which the prices are exorbitant; I am pointing out that there are periods of time when unfair competition can so completely wreck the market for domestic producers that they may be put out of business and we may find ourselves at the mercy of importers who, having eliminated the domestic producers, are able charge us any price they like. It seems to me that one task this government must undertake is the provision of adequate measures of protection against unfair competition.

● (5:10 p.m.)

I think the government is going to have to adopt a system of guaranteed prices for a great many farm products. If the prices which the farmer has to pay for machinery, for a car, for steel, lumber and other construction materials are going to be set by monopolies over which he has no control, then surely the economy must be prepared to see that there are some guaranteed prices for the farmer.

I want to suggest also that the government is going to have to bestir it itself in order to do something about overseas markets for our farm products. We listened to the minister speak yesterday about the large exports of grain, about which we are all delighted, but we must remember that a very large part of these exports resulted from sales to Communist countries which had experienced drought and crop failure. In the crop year 1965-66 we sold 765 million bushels of grain, but there is no evidence that this is going to recur. So far this year I believe we have sold some 75 million bushels of grain to the Soviet union and 78 million bushels to China. What is

[Mr. Douglas.]

being done about these markets and what is the government doing to encourage these countries to continue to buy from us?

I am not just talking about exports credits. In the main these countries can only afford to trade with us only if we work out two-way trade relations; otherwise they will be merely occasional buyers. They will buy from us only when they are in desperate straits. There is no doubt about the fact that so far as the Soviet union is concerned, for instance, it would be much cheaper for them to buy Canadian wheat for their Siberian requirements and have it shipped from Vancouver through Vladivostok than to bring it up from the Ukraine. There is no doubt there will be a growing market for Canadian wheat for many years in China provided China can pay for it. The problem involved in paying for it is related to the earning of Canadian dollars. What are we doing about building up two-way trade so we can have a permanent market there?

We have a market in Europe and we want to hold on to it, but that market is not likely to expand in keeping with the increased productivity which our farmers are capable of demonstrating. If we are going to sell the increasingly large amount of wheat our farmers are likely to produce on the prairies we will have to develop markets in the Orient, in China and in southeast Asia, if the Viet Nam war ever ceases, and in Siberia. This is only going to be done on the basis of two-way trading agreements. I hope the Minister of Trade and Commerce is going to tell us what he is doing about this.

Finally, the government must look at what part the Canadian farmer can play in foreign aid programs in many parts of the world. It is a reflection of the lack of ingenuity on the part of human beings that in a world where 1,500 million people go to bed hungry every night we should be worrying about the huge surpluses of food we have in this country. There are markets abroad, and to sell to them in some cases may involve loans. In some cases it may mean accepting soft currency and in some cases it may mean outright gifts. I suspect that the outright gifts we might have to make would still amount to much less than what we are spending on armaments, and I have the strong feeling that outright gifts of food would do more in the long run to preserve the peace of the world than the money we are spending on obsolete military hardware. This is a field that has to be considered.