

Supply—Trade and Commerce

was looking forward to the day when he might be the leader of his party.

Mr. Churchill: Hear, hear.

Mr. Nasserden: If he thinks that the government's action will enhance his reputation, he had better think again. I say that in all sincerity. The producers in western Canada will not be fooled. They will know that the government acted only because of the general election presently being fought in Saskatchewan. They will know that the government acted in this way only because they were unable to secure the co-operation and understanding of United States officials. And that, my friends, is very serious; it means that the ministry has been unable to come to terms in this regard with the administration in Washington.

● (5:50 p.m.)

I can only hope that the minister's optimism will be justified and that the price of wheat will recover. If I understood him rightly, the hon. gentleman referred to the law of supply and demand and indicated that price was a decisive factor in the movement of grain. Those who are producing grain not only in Canada but elsewhere in the world know that one of the reasons for establishing an international wheat agreement in the first place was a realization that price has very little to do with the movement of grain; there are other factors which enter into it, the urgency of the need, for example, or the availability of funds to finance sales. This is why the wheat agreement was negotiated with China on a credit basis resulting in the movement of wheat which had been piling up for years on the farms, in elevators and at terminals under the former Liberal administration.

In conclusion, I wish to thank the minister for the action the government has taken. It will reassure farmers that some kind of floor under the price is being provided. But it represents far less of an assurance than the farmers might expect from the government at this time. We can only hope that the minister's optimism is justified and that he will not lessen his efforts to influence the United States authorities in connection with their sales program.

Mr. Watson (Assiniboia): In the few minutes at my disposal I do not intend to deal as fully with this subject as I had planned. I wish to say that my hon. friend from Bow

River and my hon. friend from Rosthern have given forcible expression to the feelings and thoughts of the farmers of western Canada and I simply add that I agree wholeheartedly with the statements they have made.

I wish, also, to tell the minister that we in western Canada do appreciate the statement he made this afternoon. It reminds me of the story about the boy putting his finger in the whole in the dam. That is exactly what has taken place in this case. The dam has begun to leak. The government has seen the problem and this is a stop-gap measure. The farmers of western Canada believe they are encountering one of the most serious problems they have faced for many years. They are concerned about the market situation and the events which have led to the recent drop in wheat prices. They are concerned, too, about the price of wheat, though this has been taken care of temporarily. I wish to refer briefly to the transport situation as far as grain is concerned as well as to the urgent need for finding markets for that grain. We all know that the farmers of western Canada have all along been carrying the burden of current wheat prices entirely on their backs. They feel they have been battling the entire resources of the United States treasury allied with all the other main exporting countries, since up to the present Canada has been the only main producing nation which has declined to subsidize growers. This is our main concern.

I should like to know—and the minister is no doubt in a position to tell us—whether the subsidy mentioned today will apply to all the grain produced and sold in the current year or whether it will apply only in respect of grain which is exported. We in western Canada are very much concerned lest we return to conditions which prevailed between 1953 and 1957 when we saw our stocks of grain pile up on the farms and in the country elevators to the extent of 700 million bushels. It was only through the aggressiveness of the former Conservative government and the minister of agriculture at that time that this situation was changed.

I wish to read an article which appeared in yesterday's *Globe and Mail*, a Canadian Press story from Winnipeg. The headline reads: "Wheat Exports Off Sharply". This is the crux of the problem facing Canadian exporters today.

Canadian wheat exports in August showed a sharp decrease from August, 1966, and a substantial decrease from the 10-year average for the month.