

Supply—Trade and Commerce

Mr. Winters: This continuing strong advance in exports has been achieved despite a slowing down of growth in some major markets and in world trade as a whole. Especially noteworthy is the sharp rise in sales to the United States, notwithstanding the hesitant trend of industrial activity in that country in the first part of the year. Canada's exports to the United States in 1967 to date are up 19 per cent from the same period in 1966 and are half as high again as two years ago.

Among Canada's overseas markets, the sharpest gains are being made in Japan and in some Commonwealth countries. Hon. members will have seen the reports of recent important contracts by Canadian uranium producers for deliveries to Japanese users extending through 1978.

• (4:00 p.m.)

You will recall the contract signed earlier with the United Kingdom and another contract with Ontario hydro which gave us substantial evidence of the vigorous revival of world demand for uranium for peaceful uses. The need of importing countries to protect their future requirements for nuclear power reactor fuel have sharply accelerated the pace of exploration and mine development. Canada is in a specially favourable position to meet these new demands.

The forward momentum in our total export activity must be sustained. To give more specific direction and focus to our export initiatives, I hope shortly to set targets for the coming year.

As barriers to international trade come down, and as the nations of the world move closer together, Canada's future progress toward international strength and maturity depends more than ever upon a strong performance in world markets. Thank you, Mr. Chairman.

Mr. Woolliams: Mr. Chairman, it is always a pleasure to follow the Minister of Trade and Commerce in debate because I have always said, and will repeat now, that even though we sometimes disagree philosophically or about the facts he is probably one of the leading gentlemen who sit on the front benches on the government side. Perhaps I might say that we are also personal friends.

An hon. Member: Watch him, Bob.

Mr. Woolliams: My first comment this afternoon on behalf of western Canada is of congratulation to the minister for the announcement we heard a few minutes ago. I

am sure the president of the wheat pool of Alberta, the president of the wheat pool of Saskatchewan and other farm organizations have been apprehensive. They would have been more content a few weeks ago had they known that the government was considering or was prepared to make payments out of the treasury to cover any per bushel loss on grain that was sold by the Canadian Wheat Board below the minimum suggested by the new international wheat agreement which will not come into effect for approximately one year.

Probably the *Family Herald*, which is a farm paper, put the situation in the most succinct way. Before reading from that paper, let me say that the fact the government is considering now paying bonuses to the Canadian farmer out of taxpayers' money does not altogether change the picture. Perhaps the minister will make some explanation in that regard when I have completed my remarks. Certainly, grain was sold by other countries below the minimum to be set under the new wheat agreement or below the minimum set under the old wheat agreement resulting in a decrease in our exports.

I should like to read from page 9 of the *Family Herald*, the last edition, under the heading "Reports" as follows:

Western farm leaders have been quick to react to the downward slide of wheat prices which early this month fell four cents below the floor agreed upon in last spring's Kennedy round but which does not actually go into effect until July next year. Both Charles Gibbings, president of the Saskatchewan Wheat Pool, and Roy Atkinson, president of the National Farmers' Union, have registered the concern of prairie producers over this development. Mr. Gibbings declared that "Canadian producers are facing the most critical situation that has existed in more than 20 years."

A 22 cent price drop for No. 1 Northern has brought the Lakehead price from \$2.13 last spring to \$1.91 in early September. The price drop has brought a direct confrontation between U.S. and Canadian wheat pricing policies. While neither trade minister Robert Winters nor Canadian Wheat Board chairman, W. C. McNamara would say specifically where the price cutting started, they did acknowledge that Canadian wheat exports to Japan had suffered most during the current sales decline and that U.S. exports had taken up the slack.

Let me pause there for a moment. In other words, while there has been this vacuum between the lapse of the old agreement and the implementation of the new agreement, we have lost markets for Canadian wheat.

Let me continue reading from this article:

Mr. Gibbings was more forthright.

"It will be noted," he said, "that the U.S. price dipped below floor levels on July 13, the day after 52 nations met in Rome to begin discussions about implementing the sixth wheat agreement. It seems