

The Address—Mr. Southam

The subject of acreage payments was discussed and we said:

Acreage payments are like cash advances; not final answers to the farmer's fundamental problem. However, they should be considered as a proven technique of bridging the income gap while allowing maximum freedom for the farmer to choose the diversification program most suitable to his own needs.

On the matter of transportation we said:

We recommend that in view of problems consistently arising in the movement of cereal grain in western Canada, which bring hardship, inconvenience, and financial loss to individual farmers, an over-all co-ordinating authority be established to direct the movement of cereal grains.

Storage has been a major problem this fall for farmers in western Canada. It is hard to estimate the cost to farmers in their efforts to borrow money to provide storage to protect the grain they have taken off their land this year. On the question of storage we stated:

We recommend that the money spent by the federal treasury on the Temporary Wheat Reserve Act for grain storage be divided between commercial storage and farm storage on the basis of six cents per bushel per year.

● (4:30 p.m.)

These tasks must now be pursued by the government if it is to claim it has done what was possible, what was required. But more specifically, I appeal to the government to establish a manly, practical and essential understanding with our greatest competitor, the United States. The history of the present crisis calls for this action as a basis of recovery. I think this puts the finger on the crux of one of our biggest problems. We have a great deal of unsold grain in western Canada and have lost markets because of the temporary lapse of the International Grains Agreement. When our officials returned from the Kennedy Round talks in Geneva we in western Canada were met by the headlines in the *Regina Leader* to the effect that the Americans had dumped wheat into the Japanese market at 22 cents a bushel below the floor price. I can understand the reaction of our competitor countries such as Argentina, France and Australia. When they saw a major nation such as the United States taking advantage of the lapse in the wheat agreement, they immediately did the same.

However, Canada remained honest for another 18 months, but last April the Minister of Industry, Trade and Commerce (Mr. Pepin) advised the House that he had instructed the Wheat Board to start cutting prices in world markets. This sent a shudder through western members who felt it was the last straw. It

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was exactly what our friends across the line wanted us to do, and within two weeks they were pointing the finger at us. Canada and France were named the culprits, when actually it was our neighbours to the south who started the ball rolling.

I would make a suggestion and draw on my experience of a few years ago when I had occasion to deal with similar matters. Perhaps the Prime Minister (Mr. Trudeau), the Minister of Industry, Trade and Commerce, the Secretary of State for External Affairs (Mr. Sharp) or the Minister without Portfolio (Mr. Lang) with responsibility for the Canadian Wheat Board should make a private visit to the United States and talk to their counterparts behind closed doors with no radio, press or television coverage. We are not anti-American, but I think we should be pro-Canadian. Perhaps before the next conference they would be able to reach a decision on what should be the floor price under the International Grains Agreement. If \$1.95½ is not a realistic floor price—and I have talked to many farmers who feel that possibly it is an excessive price—perhaps something more realistic, say \$1.75, could be set as the floor price and we could start from there.

Importers know that Canada grows the best wheat in the world. Under the old wheat agreement we have for 18 years satisfied our customers because of our reputation as honest brokers who bargain fairly and who produce good quality grain. If we set a good example to the exporting and importing nations of the world we should get our fair share of world markets. As I stated earlier, Mr. Speaker, this is not party policy; it is a suggestion of my own which I think is practical and I think our friends to the south would respect us for it. Again, I appeal to the government to establish a manly understanding with our greatest competitor, the United States.

This present crisis had much of its origin in 1966. The federal government has had the responsibility since then to develop policies to meet the common crisis, but it has failed. In 1966 the United States made a number of changes in her wheat policy which adversely affected Canadian growers. They were obvious at the time but our government did not act. The United States wheat acreage allotment was increased by about 30 per cent, a modified two-price system was introduced using domestic milling certificates and aggressive selling in commercial markets supplanted much of the earlier emphasis on food aid. As a result in 1967-68 the United States was the only major exporter to increase wheat