

Alleged Failure to Aid Western Farmers

grade, but there was an understanding that all equivalents in other grades should fit in with this. But in the IGA for the first time, as indicated in Table 5, there are a number of named grades, with the minimum and maximum for each particular grade.

It will be remembered that Canada had difficulty in selling some of its other grades of wheat. There was particular difficulty with No. 3. We could not reduce our price for No. 3 because it had been set under the International Grains Agreement although not, I think, under the International Wheat Agreement. It is in this area that France and Australia managed to get the jump on Canada, so to speak, and sell to Japan. I wish to continue reading from page 1664 of the committee report:

Mr. Horner: You also suggested yesterday, Mr. McNamara, that you felt that the old wheat agreement was perhaps better in that it included most of the major exporters, and that under this grains agreement you have a smattering of everybody. Am I right in the sense that more people are involved in the grain agreement than there were in the past?

Mr. McNamara: No; I believe the membership of the IGA is somewhat below the membership of the IWA. The point I was trying to make yesterday, Mr. Horner, was that to me it was unfortunate that the grains agreement was, first of all, negotiated under the auspices of GATT.

That was the first disappointment. I continue quoting:

Mr. Horner: Yes; I agree.

Mr. McNamara: I excluded Russia and some of the other countries that were members of the IWA. It would have been much better, in my opinion, had it been negotiated under the auspices of the old IWA, which would have allowed Russia to be in.

That puts it simply and clearly, Mr. Speaker, and I think all hon. members remember the counsel of the Minister of Industry, Trade and Commerce with respect to the International Grains Agreement.

• (8:30 p.m.)

As recorded at page 1664 I asked Mr. McNamara this question:

Why was it negotiated under GATT? Why was it not negotiated under an International Wheat Agreement?

Mr. McNamara replied:

Because the nations of the world, excluding Russia and a few others who were members of the I.W.A., figured that it could best be negotiated in this new form, particularly the Americans.

The Americans were not interested in quality, yet every report that the Canadian Wheat Board has submitted to Ottawa shows that Canada has always sold its wheat principally

[Mr. Horner.]

on the grounds of quality. We agreed to set up a new International Grains Agreement under GATT. That was Canada's mistake.

I wish to put forward nine programs that the government could launch and which would put cash into the farmers' pockets. The first is the establishment of a two-price system for wheat. Mr. McNamara of the Canadian Wheat Board has said we are fully capable of launching such a system.

My second suggestion, and on this I agree with my hon. friends to the left, is a 20 cent payment on wheat sold last year. This would help those who help the most.

If the government really wanted to help farmers it should have launched another program before seeding time, but even now it may not be too late considering the heavy frost that struck most of Alberta and parts of Saskatchewan just as the new crops were sprouting. Thus my third suggestion is that the government make payments to promote summer fallow and the production of grassland, which might encourage farmers to go into other lines of production.

My fourth suggestion is that a new International Grains Agreement, encompassing all the major importing countries and major exporting countries of wheat, including Russia, be drawn up as soon as possible.

I wish I had time to quote, from the committee proceedings, what Mr. McNamara and Mr. Vogel had to say about barter sales. We still have something like 135 million bushels of outstanding wheat sales to make to Russia under the last three year agreement. Why don't we get to work and offer to take some of their farm machinery or heavy industrial equipment, such as caterpillars, under a barter arrangement in exchange for that wheat, or for a portion of the wheat?

My sixth point is that in the past ten years we have moved substantially into the field of credit sales, and I believe the government could encourage more of these sales.

My seventh point is that Canada has to be realistic with regard to Japanese trade. Recently, we sent a delegation of about five ministers to Japan. They came back with their tails between their legs. That trip cost the Canadian farmers \$160,000 for damages to a wheat shipment, damages that really did not occur according to our inspectors. But because the ministers were in such a genial mood they agreed to pay the Japanese this money out of the farmers' pockets. Bearing in mind that we do make substantial sales to communist countries we should make greater