

Unpegging of Canadian Dollar

basic point that there are some export industries which can, and in fact will, be hurt by this announcement and that steps should be taken to counteract such unfavourable effects.

Reference has been made to the lumber industry, and steps should be taken very quickly to offset any unfavourable impact on that industry by stepping up the housing program in Canada. The fisheries industry also faces problems, and questions have been asked about that in this House in the past two days. The minister did not know what the situation was. He had no idea what to suggest in answer to questions posed by members from the Maritime and Atlantic provinces.

With reference to the grain situation the Minister of Industry, Trade and Commerce tried to camouflage the picture by quoting trade figures in terms of total dollar sales over the past several months. The figures did not sound too bad in terms of the total, but the minister made no reference to the change which had taken place in wheat prices within the past 48 hours, no mention at all of the 6 cent drop in the wheat price. Why did he not choose to mention it? I find it very interesting to take note of the answer given by the Minister of Finance yesterday to a question posed by the hon. member for Saskatoon-Biggar (Mr. Gleave) who asked what the government was going to do to offset any unfavourable effects on western farmers and the agricultural industry in particular. The Minister of Finance looked very puzzled when he got up to reply. First of all he said, "I will have to take this matter up with my colleague who reports for the Wheat Board"; then, he said, "What this means is that Canadians will get more for their products that are sold abroad, including wheat."

Mr. Benson: Mr. Speaker, a question of privilege. I should point out to my hon. friends that two words were left out of that answer. I pointed them out to the hon. member for Saskatoon-Biggar this morning and indicated to him that I was going to inform the Speaker. "More foreign exchange" should have been in there—"More foreign currency".

Mr. Burton: I thank the minister for that correction, Mr. Speaker. I was not aware of it. I am not quite sure how that changes the basic point I was making because it was quite clear that the minister really did not understand what the effect of this particular change in policy was going to be on wheat sales and wheat exports. The fact is that they will be

[Mr. Burton.]

adversely affected. I suggest that the government has an obligation to take this into account and to adopt offsetting measures. The question arises, what should be done? It should be pointed out that the basic problem is the market situation. It must be noted that the Wheat Board responded immediately to the situation. I am in no position to judge whether their action was the correct one but in their view, as experts in the field, they considered that they had to respond to the new situation by dropping wheat prices by 6 cents per bushel immediately.

This reflects the fact that we do have a buyer's market in the world wheat market at the present time. It is not simply a case of whether we are on a floating exchange rate or fixed exchange rate that makes the difference. When we had a favourable wheat marketing situation in the early sixties we were on a floating exchange rate. When the move was made to fix the exchange rate in 1962, this boosted the price of wheat to Canadian farmers by a number of cents per bushel. But the basic situation was already there, a favourable marketing situation. We have the buyers' market to contend with at the present time and the Wheat Board had no choice, it would seem, but to go along with the changed conditions.

I should like to suggest seriously to the Minister of Finance tonight that there is one way the situation could be dealt with whereby the western farmer would not be penalized as a result of this and many other things that have happened over the past number of months. I suggest that as a result of the International Grains Agreement, which was signed by Canada, the government has an implicit obligation to the farmers of western Canada to ensure that for the lifetime of that agreement they will stand behind the minimum level of prices stipulated therein. If the government took the step of supporting grain prices at the minimum levels provided in the International Grains Agreement, it would be possible to deal with the situation effectively and it would be a great help to the western Canadian economy.

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): Does the House give unanimous consent to the hon. member to continue with his remarks?