

*The Address—Mr. Southam*

follows on the question of future markets and the demand for western products:

We reject the pessimistic view of the present government and the federal task force on agriculture on the future of cereal sales for the next decade.

We do not disagree that there will be a static position for future markets of high grade wheats, but we say most emphatically that the future demand for lower grades of wheat for both domestic and feed grains consumption have not been fully exploited.

Today wheat surpluses in the world are only sufficient to cover one year's total demand. This means if there is to be a drought or a crop failure in any part of the world the world cereal picture would shift from one of surplus to deficit in a very short time.

In the meantime, western agriculture is suffering from an income gap which is having serious effects upon the economy of the whole nation. Since we should expect future increases of demands for cereal grains to make our present surplus a real asset, the nation should assist in carrying the costs of this reserve.

Because of the growing opportunities for low grade and new cereals immediate programs should be applied to assist proper adjustment.

We see the future demand for livestock products from western Canada as being good. However, we must warn that a rapid shift from wheat to cattle could mean a disaster to the stable growth of that industry.

The government, in the Speech from the Throne, offers amendments to only one agricultural act. We recommend much more. I quote the Niagara Falls conclusions as follows:

It was felt that a Canadian grain-selling agency was necessary to give grain the type of aggressive salesmanship necessary in international markets.

Until now the Wheat Board, in co-operation with the Department of Industry, Trade and Commerce, has been depending on international commission houses, of which there are a number of multi-million dollar concerns spread over the world, to handle the actual mechanical transactions involved in international sales. All they are interested in is getting a quarter per cent or a half per cent of the selling price arranged for each commodity. I think we are on the right track when we advocate the establishment of a Canadian grains selling agency. Dealing with the International Grains Agreement at the Niagara conference, we stated:

The repudiation of the International Wheat Agreement and the creation of the International Grains Agreement has meant that the five major wheat exporters have essentially lost equal bargaining power with consumers in establishing price levels of sales that would be tolerable to their own producers. The exporters' responsibility is still to seek export prices compatible to the production costs and fair returns for their own

producers. But our acceptance of the International Grains Agreement has made this very difficult for those five major producers.

We condemn the government for repudiating the International Wheat Agreement which was, unlike the present International Grains Agreement, an institution which could protect the interests of the Canadian producer. Furthermore, this government took this step without consulting the Canadian wheat producers themselves.

So now we recommend:

1. We should now make it our immediate and priority aim to re-establish an unanimity among these five major producers to once again establish international prices tolerable to their own wheat producers.

2. We should try to establish with Russia and other in and out exporters of wheat a working agreement on these basic prices which are to be established again by the five major producers.

3. We should develop within these international agreements greater flexibility so that lower quality grains can more properly contribute to the incomes of western farmers.

4. We ask that during the next meeting of the five major producers before the next International Grains Agreement conference to establish new price dimensions, the costs of goods and services of the farmer due to inflation be considered as a factor when those new prices are established.

We also took a look at the growth of the cattle industry and we had this suggestion to make:

In co-operation with the provinces we would promote a moderate and steady expansion of the beef industry in all parts of Canada by:

- (1) encouraging better use of pasture in conjunction with water and grain,

- (2) establishing and developing co-operative and private feed lots, and

- (3) encouraging conversion of high yield, low quality wheatland into pasture and forage to allow for expansion of beef-cow numbers.

Dealing with the role of food aid in international development we had this to say:

Our position is that Canada should meet all requests for food by the World Food Program. We are disappointed that governments have failed to supply areas of extreme crisis such as the Gaza Strip and Biafra. If multilateral agencies are unable to act then our government should stand willing to work a bilateral agreement in relieving distress.

The essence of using food in international development is to give highest priority to the development of food supplies in the newly developing nations. Realizing this objective will require decades to achieve, Canada should take the lead in persuading other nations to build up inventories of strategic food items. This should be undertaken within multilateral agencies such as the World Food Program or F.A.O.

Dealing with the subject of floor prices we stated:

We recommend that the Agriculture Prices Stabilization Act be brought up to date by bringing into play the increased knowledge that we have of production efficiency levels in the products covered by the legislation.