

Wheat Sale to Russia

point out that wheat farmers deserve higher prices than they are receiving at the present time when regard is given to increasing costs. I hope there will be provision within the agreement entered into for increase in prices, otherwise this agreement will not give to the wheat producing farmers the benefit that it should.

My second point deals with the question of the transportation of this wheat. In the last contract that was entered into with the U.S.S.R. no provision was made for the use of the Hudson bay route. That route should be used, because it would place several cents a bushel in the pockets of the western farmer.

There are two matters then on which we require information. One is the price to be paid, whether regard has been given to the increasing cost of production to which our farmers are subjected. The other matter is whether provision will be made for the maximum use of the Hudson Bay route, thereby enabling a larger share of the ultimate return to be available to the producer.

As far as the sale is concerned, it is a large one and one that will command universal support. It is not for me at this time to make any further suggestions. On a later occasion, and in connection with the wheat board, I will deal with what the Minister of Agriculture said in western Canada, that in his opinion the time had come for the transfer of the wheat board to the Department of Agriculture. However, that will be a subject by itself.

Mr. David Lewis (York South): On behalf of our party I wish to welcome the news, as does every other member in the house, and indeed I go further and congratulate those who negotiated this agreement on Canada's behalf.

I wish to add a few words to say, first, that it seems to us these energetic attempts at establishing trade with the Soviet union should be extended to all the countries in eastern Europe and in that general bloc. Second, I know of no better way to improve possibilities for achieving peace in the world than by increasing the trade of other countries in the west and particularly of our country with the Asian, African and European countries whose systems are different from our own. It has always been the position of our party that the path to peace in the world lies in economic co-operation much more than in military threat. I am therefore glad to welcome this deal not only for the

[Mr. Diefenbaker.]

sake of the farmers but also for the sake of the future of the world.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are also happy to note that Canada has achieved such a wheat sale. But there is one thing about which I feel I must blame the Minister of Finance (Mr. Sharp); it is that we have received copy of his statement in English only, whereas all the other ministers usually provide us with a French copy of the text they are reading in English. In the future I think we would be pleased if the Minister of Finance could provide us with a copy of his statement in French as he does in English.

Another point, Mr. Speaker. At a time when the Minister of Finance announces that hundreds of million dollars worth of wheat are being sold to Russia, indications are that the Canadian trade deficit is getting larger all the time. We had a trade deficit when we did not have these wheat sales and today, in spite of these large foreign sales, the trade deficit is getting larger. It seems to me that while we are rejoicing that Canada has secured such important amounts as one billion dollars, or more precisely \$814 million, the minister should make sure that we avoid paying out so much in dividends, interests or outgoing profits in order that our balance of international payments may show a surplus instead of a deficit. With such exports it is difficult to understand why we should have a trade deficit. It seems to me that the Minister of Finance, whose function it is to improve the economic position of Canada and who states that the contract with Russia will benefit the economy of the country, should also see to it that our trade balance gets back on its feet and show a surplus in the future.

So, we welcome this big deal with Russia and we hope that the same thing will be achieved with other countries. We have quantities of products in Canada, we probably have more resources than any other country in the world and, on the other hand, a number of countries need our natural resources. Therefore, we hope that such contracts will be maintained and extended, in quantities as well as in quality.

[*English*]

Mr. H. A. Olson (Medicine Hat): We welcome the announcement of the protocol, Mr. Speaker, extending the trade agreement for three years, and the announcement of a further wheat sale over three years, with the