

farmers to meet the additional cost of production.

We on this side were pleased by the minister's announcement that the Japanese were resuming purchases of wheat for December and that they were giving consideration to their requirements for January and February. However, I should like to point out that the Japanese market is one of our traditional markets and that we lost a considerable volume of sales of wheat to Japan as a result of the United States price cutting which took place after the international wheat agreement was allowed to lapse. As this United States wheat has been sold, I am sure the loss to Canadian farmers will not be made up in their sales for this year.

● (9:20 p.m.)

The fact that this price cutting did take place points up the very obvious fact that the governments of the wheat producing nations, including the Canadian government, made a serious error of judgment in allowing the international wheat agreement to lapse until the end of this crop year. The government never told the story about those negotiations. Could it be that in emulating the dog, in the story of the dog with the bone, they dropped what they had for something larger? Surely it would have been good business to extend the old agreement until the new one was ratified by the participating governments. Whatever the cause of the lapse, we must realize that temporarily we face a buyers market. It may be a good idea to emphasize that this is temporary. The wheat producing areas of the world, such as Australia and Canada, suffered from a serious drought this year which could well change world supply conditions in the next year. The government would be well advised to avoid a price war and to emphasize to other producing nations that disaster prices do not change world wheat requirements. If one nation sells wheat below the cost of production it means that another nation will sell less of its wheat.

This does not mean that we ought not try to sell every possible bushel of wheat. I think the minister should take a more active part in negotiations, particularly with our traditional customers who have learned over the years to respect the excellence of our grading system and the baking quality of our wheat. Let me advise the minister to become acquainted with the wheat dealers of the world so that he, as a former minister of the Conservative government did, may also sell wheat.

Loss to Canada of World Wheat Market

Wheat sales in the past few years have contributed greatly to our national prosperity. They have figured largely in our balance of payments with other countries. The government, and particularly the Minister of Finance when he was minister of trade and commerce, urged our farmers to expand their wheat acreage. The government has an obligation to those farmers who took the minister's advise to expand their acreage; it has an obligation to enable them to meet their commitments during this crop year, and I hope the government acts quickly to honour its obligation.

Though we are in a surplus position, that is no reason for the government to put its head in the sand and throw up its hands. That is quite a feat—putting your head in the sand and throwing up your hands—but the government has done that before. The cabinet must display more energy in selling wheat. It must try to persuade other countries in the world that only so much wheat is consumed each year and that traditional markets should be left to traditional suppliers. Such a course of action is only reasonable and I hope the minister undertakes it quickly.

Mr. Ed. Schreyer (Springfield): I see that the Minister of Agriculture (Mr. Greene) is present. Unfortunately, the Minister of Trade and Commerce was not present this evening to hear the remarks of the hon. members for Battle River-Camrose (Mr. Smallwood) and Lisgar (Mr. Muir).

Most members representing prairie constituencies do not pretend that the government does not face special problems with respect to wheat exports this year. It faces additional difficulties as the contracts call for wheat of certain grades to be sold. Fortunately, our wheat is of above average grade. This is so certainly in Manitoba. In the part of Manitoba that I represent, which is on the eastern boundary of the wheat growing area, for the first time in two decades wheat mostly grading No. 1 and No. 2 has been produced on most farms.

Answering the legitimate attack of the hon. member for Bow River (Mr. Woolliams) and of my leader, in the closing days of September the minister announced that wheat would be supported on the basis of \$1.95½ for No. 1 Northern at the lakehead. In that announcement we see an important principle. Other governments which follow this one will have to adopt that principle if they are not to invite political disaster on the prairies. The government adopted the principle that