

*Supply—Trade and Commerce*

● (4:40 p.m.)

Lest I digress too far I wish to say, with respect to the minister's announcement of this afternoon, that the government's new policy will be to make good the difference between the floor price of the new agreement that is to take effect next year and any prices received that are lower than that. That policy is important psychologically. It is difficult to calculate extemporaneously at this time what the announcement will mean in dollars and cents. Nevertheless, I agree with the hon. member for Bow River. While the bonus, as he called it, is one thing, the timing of it is another. The sense of timing possessed by this government is poor, and it was poor in this instance. I agree with the hon. member's statement.

If the new policy had been arrived at a few weeks ago or even a month ago, the Canadian Wheat Board might have been able to pursue a more aggressive policy in protecting our established markets in Japan and elsewhere, those markets where we have been slipping in competition with the United States with respect to wheat sales. Once a market is lost it is not readily regained. If it is ever regained, it may take a few years to do so. If the policy of paying the differential between the new floor price and the lower prices is acceptable and laudable now, it would have been all the more welcome, all the more sensible and all the more defensible a few weeks earlier. Though I have no proof, I hazard to say that the government's decision was an eleventh hour decision. The decision is good, but how much better would it have been had it come earlier. I am prepared to insist that the government's announcement came as the result of a hasty last minute reflection. I say that because the collective thinking of the cabinet was not much disposed to the idea of some form of price support. Only ten days ago the minister said in a press conference that the government had no intention of considering a price support on subsidy program for wheat. Ten days later it is announced, but only after some markets are lost.

On his return from Washington the minister, as reported in the press, said something which left me surprised and appalled. He admitted that wheat price levels were softening, that they were soft. In the face of a 22 cent decline, which is a decline of approximately 10 per cent, to say that there is a softness in wheat prices shows a degree of nonchalance which I hope that this minister and his colleagues will not exhibit again.

The minister said also that the government was not considering any form of subsidy or price supports. This would be approximately ten days ago. It may well be that the government was in fact considering such a proposal at the time but for some reason or another having to do with strategy, possibly, it was decided not to disclose the nature of those deliberations in connection with a price support policy.

Now, we have an announcement, and it will help. There is little point in indulging in harsh recriminations, or attempting to discover why the minister was not apparently aware of the adverse trend in prices which was developing in July and August. Certainly, from May until now there has been great confusion in the minds of many people, not only among producers but among those who sit in legislatures and in parliament as to the likely effect of the trade talks on wheat prices. As for the minister's explanations and interpretations, all they did was to leave in their wake a sea of confusion, confusion compounded because his statements were contradicted by actual events or became so soon after.

Now we find, in a sense, remedial action taken. I refer to today's announcement about the readiness of this government to provide moneys by way of price support to cover this differential. There was no need for the government to have waited so long. All the indications during the past few months, indeed, throughout last year and 1967 to date, showed that there was an inflationary trend developing in this country. This is far from being abated; in fact, it is gaining momentum. The index of the cost of farm production surged last year, and this year the rate was even higher. The more general cost of living index increased to a point at which it brought forth a general cry of protest. This year the indicators show that the rate of increase in the cost of living is even higher than it was last year. Thus, a 22 cent decline in the price of wheat has taken place this summer—call it a 10 per cent decline by way of understatement—at the very time when the cost of production is surging upward unabated.

It is ironical that last May when the minister was referring to the new minimum and maximum levels which had tentatively been agreed at the trade talks—an increase amounting to 21 cents—the hon. member for Medicine Hat and others pointed out, quite