

## Wheat

Certainly, I should like the minister to comment, not only on the editorial in the *Free Press*, but upon anything that I have said in support of my contention that this is a matter of urgency and national importance.

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** I am very glad to do so, Mr. Speaker. I said in the house that we had a tremendous problem in the marketing of wheat, and I spoke of the requisites that were needed. One of the requisites I mentioned was steadiness. I believe steadiness means adhering to a principle in marketing that we believe is consistent with the policies of the wheat board, and not starting wild rumours. Speaking in western Canada, I said that I was afraid that certain newspapers in the west were more anxious to justify their own theories about the marketing of wheat than they were to help in the marketing of Canadian surpluses. I suggest that the editorials in the *Winnipeg Free Press* are cases in point, and there is not too much concern on the part of the editor about the accuracy of the statements.

In so far as the present situation is concerned, there are two prices of wheat in the United States. One is the domestic price which is quoted every day on the Chicago grain exchange and all other grain exchanges, and the other is the international wheat agreement price. By agreement the international wheat agreement price is contained between the upper limit of \$2.05 and the lower limit of \$1.55. The present price is around \$1.90. I might point out to the hon. member that certainly in the last twenty years no crop has ever realized as much as \$1.90 per bushel for No. 1 northern wheat, Fort William. In view of the large stocks, I believe this price is a realistic one, and it is a price that I believe is profitable to our farmers. I hope it is a price that our customers are able to pay.

I take it the hon. member has no worry about wheat being sold by the United States under the international wheat agreement at the current price. It is a competitive price. It is not a maximum or minimum price, and in my opinion it is realistic under present-day conditions. It is a realistic price, and it is a price to which we subscribe. The hon. member's objection is that the United States Commodity Credit Corporation is undertaking to sell wheat at competitive world prices. Now, what is the competitive price in the world? In the non-agreement markets it is presently the same as in the agreement markets; that is almost inevitable when wheat sold under the agreement is selling at other than the maximum price. In any event, that is the case.

Now, the hon. member suggests that the United States has been quite willing to turn over all the non-agreement markets to Canada. As a matter of fact, in all these markets we compete with the Argentine, with Turkey, to a certain extent with Sweden, France and of course Soviet Russia. These are not exclusive markets for anyone. I do not know why the United States should not be permitted to compete in those markets as well. They also have always sold substantial quantities of wheat on the class II market. As a matter of fact this move by the United States was not made surreptitiously. Before it was undertaken the Commodity Credit Corporation asked our wheat board to meet with them in Chicago and discuss the whole situation thoroughly. A little while later two of President Eisenhower's advisers came to Ottawa to discuss the meeting of the economic committee, and this matter was discussed at that time. We could offer no serious objection to the proposed arrangement.

**Mr. Coldwell:** The matter was discussed by the committee?

**Mr. Howe (Port Arthur):** In general, yes.

**Mr. Coldwell:** And we made no objection to it?

**Mr. Howe (Port Arthur):** No particular objection. We would rather that they did not, but I have to put myself in the position of the head of the credit corporation. I do not know that I would be content to hold that volume of wheat off the market entirely. I suggest that there is no violation of GATT involved. Why is it any more a violation of GATT to sell non-agreement wheat, which is subsidized so far as the domestic market is concerned, than it is to sell agreement wheat? Certainly we would never complain under GATT that that is a violation.

If the move was made to take away markets, perhaps there would be a case, but the purpose of this move is not to take away markets but to be allowed to compete in markets at prevailing prices. I see nothing in this situation that is unfair or unjustifiable. I think that it is a step to be expected, and so far as the wheat board is concerned, it presents only another element of competition. It is not one that makes us particularly fearful. We are very fortunate, in fact. We have high protein wheat in Canada, whereas the wheat held by the corporation in the United States is for the most part soft wheat. These two kinds of wheat do not compete on exactly equal terms. The British market usually takes the high protein wheat to mix with their soft wheats which are grown in Britain and Australia. No one can say to what extent