

methods in the way indicated, i.e. by scheduling policy meetings at stated intervals, for only then would they contemplate nominating operating officials as Executive Directors. The change in work methods suggested is in fact a relatively minor one which involves no basic change in the present arrangements. We intend therefore to continue to try to persuade the Managing Director that the idea is worth a trial.

3^e PARTIE/PART 3

ACCORD INTERNATIONAL SUR LE BLÉ INTERNATIONAL WHEAT AGREEMENT

821.

DEA/4171-D-40

*Extrait d'une note sur les discussions
avec les fonctionnaires des États-Unis concernant le blé*

Extract from Notes on Wheat Discussions with United States Officials

CONFIDENTIAL

Ottawa, January 19, 1956

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6. *International Wheat Agreement*

Mr. Sharp began by explaining that we were not at all optimistic about the outcome of the Geneva discussions which resume on February 20. Canada was prepared to renew the agreement if the terms were reasonable, but we had no great expectation that reasonable terms would be forthcoming. These were the desiderata:

(a) The Agreement must apply to a sufficiently large proportion of the world's trade in wheat. If the exporters who join were the same as in the present Agreement the minimum quantity we would consider reasonable would be about 600,000 bushels (roughly the same as in the first Agreement). If the Argentine joined the total minimum quantity should be 700,000 to 750,000 bushels. We hoped to find out early in the discussions whether these figures might be feasible.

(b) We would be satisfied to have the same exporters as now, although we would be happy to have the Argentine as well. We were indifferent to French participation, and had no views yet about the U.S.S.R.

(c) It was very desirable that the U.K. should rejoin; we were doubtful about the value of an agreement without the U.K. But we would not go to undue lengths to get the U.K. to join.

(d) We would be prepared to make concessions about the ceiling, more so if the Agreement was a short one (3 years). We would be very firm about retaining the present minimum price. We would give no indication of any willingness to make any concession on the floor; this for two reasons:

(i) We do not think the present floor is at all higher than is reasonable, and we believe other countries including importers would take the same view on behalf of their own producers; and

(ii) we think any agreement to a lower floor price would be interpreted as a belief that prices were going lower, which would have an immediate effect on the market.

Mr. Sharp said he had discussed with U.K. officials their contention that there should be flexibility within the range between the maximum and minimum prices. He was not opposed to this principle provided it was not taken to mean that in present circumstances