

International Wheat Agreement

are being followed by other countries in the world. It would have been much better, I suggest, Mr. Speaker, if under this agreement there had been provision for an immediate survey of any transactions concerning the disposal of world surpluses in an extraordinary manner which interfered with normal sales. This is a case of closing the barn door after the horse is missing. After this situation has gone on for a year, then a review is made of the difficulties that have obtained. I suggest, Mr. Speaker, that this part of the agreement is so worded as to allow—I would not say condone but certainly to allow—these extraordinary features of the United States disposal program, for example, to be continued.

Paragraph (c) of article 21 reads as follows:

To assist in its review of surplus disposal, exporting and importing countries shall inform the council of the measures taken by them to secure compliance with the following principles: that the solution to the problems involved in the disposal of surpluses of wheat should be sought—

Here are the important words:

—wherever possible through efforts to increase consumption.

"Wherever possible" means that if it happens to increase consumption—

Mr. Deputy Speaker: Order. It being one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Argue: Before one o'clock I had been pointing out that welcome as the international wheat agreement is to this house and to the country, it does not guarantee that producers will have either adequate wheat markets or adequate prices. Undoubtedly it is a factor which tends to stabilize a state of affairs which is causing wheat producers great concern, but there is another body engaged in the wheat business which I think is probably a greater stabilizing factor than even this international agreement which we have under consideration.

I think beyond question the Canadian wheat board in recent years has demonstrated that it is a major stabilizing influence in the world situation. Not only is Canada a major exporting country—indeed, the second most important exporting country in the world, giving way only to the United States in first place—but we have exerted and we are exerting through the Canadian wheat board an important stabilizing influence on world wheat prices. I am certain that if

it were not for the Canadian wheat board, wheat prices in Canada and in the world would collapse immediately to the floor under the wheat agreement and then, without the wheat agreement, would fall even lower. The Canadian wheat board has followed sound pricing practices in the light of all the factors in world trade, and the United States, Australia, and even the U.S.S.R. have to a very large extent followed the lead given by the Canadian wheat board in its pricing policy. The wheat board has been a major asset to the wheat producers of this country in very difficult circumstances, and continues to be so.

There are those who say, when we have a wheat problem—and I read an editorial to this effect in the *Globe and Mail* the other day—why do the producers of wheat not diversify their efforts? The fact is that with the possible exception of beef production, the wheat producers have diversified in every possible way, even to the extent of endangering other markets and the prices of other commodities. When there has been a surplus of wheat farmers have gone into the production of barley, feed barley and malting barley, until they are told by the Canadian wheat board that it is difficult to sell Canadian barley.

To show what a loose interpretation the United States gives to its marketing policy, I remind the committee that they say they are prepared under public law 480 to promote the sales of their commodities as long as they do not interfere with normal sales. But though the sale of Canadian barley to the United Kingdom has been going on for a long time, and though this is an important Canadian market, the Americans are pushing into that market because they say that Canadian sales to the United Kingdom today are running as high as they were a year ago. In other words the United States feels free to get into our market in the United Kingdom.

Farmers have diversified their crops and produced barley as far as possible. They have developed the production of flax until flax prices are relatively poor at about \$2.80 a bushel. Producers of bread grains have developed the production of Durum wheat, and everybody in the trade today urges the farmers not to produce more Durum wheat because there is greater danger of a declining market at present for that product than there is for normal grain.

I hope the Minister of Trade and Commerce and the government will give consideration to adopting more aggressive policies for the sale of wheat than those which have been followed heretofore. Canada itself will be obliged to enter the field of