

ment among the major countries concerned on these questions.

Despite the difficult issues and the divergent approaches that have been identified, we consider that the intensive work accomplished will be helpful in facilitating the elaboration of a new agreement on wheat prices at a later date. Therefore while it is a matter of serious regret that an agreement including pricing provisions could not be concluded, we are not unduly discouraged or pessimistic by the lack of such agreement at this time. Indeed it is clearly understood by all participants that the matter of an agreement on wheat prices is to be kept under review and that new negotiations of this subject will be initiated at an appropriate time.

In absence of agreement on a price framework, negotiations are now proceeding in Geneva for the conclusion of a new wheat agreement designed—

(A) To maintain the full institutional framework for continued wheat co-operation including all the traditional functions of reporting on wheat trade, prices and freight;

(B) To provide specifically for close consultation among exporting and importing countries with respect to price in the light of actual market trends with a view to avoiding serious price fluctuations or undue difficulties in wheat marketing;

(C) To ensure that the new Wheat Council shall keep under review the possibility of reopening negotiations for a pricing agreement and to ensure that such negotiations take place when circumstances are considered to be favourable.

In parallel to this negotiation, discussions are also taking place for the extension of the Food Aid Agreement for which the developing countries at the conference have expressed the strongest support. Canada is prepared to continue its participation in such a Food Aid Agreement.

The results of this conference are far removed from what Canada had sought to obtain. However it should be borne in mind that the price provisions of the 1967 agreement have not been operative for some time. While the new wheat agreement now being concluded is of only limited significance, it does provide the framework for continued co-operation in wheat matters and contains within it the potential for subsequent agreement on the important questions of price levels and the pricing framework.

The producer representatives who participated fully as advisers to the delegation and who are aware of the underlying issues which have led to these developments in Geneva, are of the view that the limited wheat agreement now being concluded is, in the light of all the circumstances, the most appropriate and constructive outcome possible at this time from the point of view of Canadian interests.

Mr. Diefenbaker: What an alibi for a defeat!

Mr. Cliff Downey (Battle River): Mr. Speaker, it is very disappointing that no conclusive agreement has been reached at the United Nations Wheat Conference. At this time of year the grain farmers of the west need

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to know what is to come in the years ahead so that the industry may once again rise to the heights it once knew. In the absence of any satisfactory international arrangements at present, I think all of us hope that the government, on its own, will give top priority to providing Canadian farmers with a suitable price guarantee.

• (2:20 p.m.)

Mr. John Burton (Regina East): Mr. Speaker, all the flowery words that the minister used and might use cannot cover up the fact that he and the government are whistling in the dark. The fact is that this conference was a failure. We are witnessing a collapse of orderly international marketing. I think this is underlined in the minister's statement where he said, "To ensure that the new Wheat Council shall keep under review the possibility of reopening negotiations for a pricing agreement and to ensure that such negotiations take place when circumstances are considered to be favourable".

This is one of the things they are working toward. This illustrates the fact that we have witnessed a collapse of orderly international marketing. The government must accept the responsibility for this situation.

For the past several years we have seen an unparalleled series of errors and poor judgments on the part of the government. They allowed the situation to get out of hand. It started in the 1966-67 period. The government cannot say they were not warned. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and others warned that what the government was doing would result in a catastrophic situation for Canadian wheat producers and the international wheat market. The government allowed Canada to be persuaded to replace the International Wheat Agreement with the International Grains Arrangement. They were persuaded to keep Russia, the largest wheat producer in the world, out of the new arrangement.

They allowed an 11-month gap between the expiry of the old International Wheat Agreement and the commencement of the new International Grains Arrangement. There was no firm price arrangement in the International Grains Arrangement. The private United States trade was allowed to break the new agreement before it even commenced. The government did not stand behind the Canadian Wheat Board in the 11-month gap in time for the Canadian Wheat Board to take effective action to deal with the situation which developed in 1967. They did not stand behind the Canadian farmers in 1969 and 1970. It is not the government but the farmer who is now reaping the whirlwind of government policy failures.

The key must be to ensure that there is adequate assistance to agriculture and the wheat producers of Canada. We must take steps to ensure that the wheat farmer does not have to bear the brunt of competing against other countries, as pointed out in the minister's statement.

Canada will suffer from the situation that is now developing. It is a further step in the destruction of rural society and the rural economy in Canada, western Canada in particular. We need firmer government action