



Bulletin

Vol. 24, No. 32

August 6, 1969

WHEAT MARKETING SITUATION

On returning from Washington, where he had attended a ministerial meeting of major wheat exporters, the Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin, made the following statement to the House of Commons on July 14:

As Honorable Members are aware, the international wheat-marketing situation has in recent weeks become increasingly more difficult. This is not a specific Canadian problem but rather reflects an overall international situation which Canada must seek to influence but to which we must also adapt. Record stocks of wheat are held by exporting countries at a time when world trade in wheat, both commercial and non-commercial, has dropped substantially below the levels of two years ago.

Not surprisingly, this underlying supply and demand situation has exerted downward pressure on wheat prices from the inception of the International Grains Arrangement in July 1968. There have been a growing number of infractions of its minimum price provisions as individual exporting countries, both members and non-members of the Agreement, have sought a temporary advantage over competitors by reducing prices. Earlier this year, the Canadian Wheat Board found it difficult to move wheat at the IGA minimum prices in competition with lower prices offered by other countries. As Honorable Members well recall, I announced on March 14 that the Canadian Wheat Board would have to reduce prices to remain competitive, even if this meant going below the IGA minimum levels. In maintaining its competitive position, the Canadian Wheat Board is, of course, being careful to ensure that the best possible price levels are maintained.

CONTENTS

Wheat Marketing Situation	1
Israeli Agriculturalists Visit	2
Seaway Ships and Shores	2
Housing Starts in June	2
Visiting Scholars	2
Calgary Stampede – A Canadian Tradition	3
PM Lauds Lunar Landing.....	4
Diplomatic Appointments	4
New Wildlife Maps	4

PRICE REDUCTIONS

All exporting countries have in common a real concern of what would happen if the structure of international co-operation built up over the years were to disappear. Thus, over the last many months, the major exporting countries have held a series of meetings, notably in Canberra in September 1968 and in Washington in April of this year, to seek to rectify the problems which had been identified. Despite these efforts, pressures for further price cuts had built up in recent weeks and we were faced with the prospect of imminent unilateral price reductions. This might easily have triggered an uncontrollable downward spiral, to the detriment of all exporting countries and of the future of international co-operation in wheat marketing.

Following my visit with U.S. Secretary of Agriculture Mr. Hardin on June 18, the discussions in the International Wheat Council in London, and the Canada-U.S. ministerial meeting in the following week, Canada supported the early convening of a ministerial meeting of major exporting countries. This meeting was held in Washington on July 10 and 11, and was attended by ministerial representatives from Argentina, Australia, Canada, the EEC and the United States. Mr. Olson and I took part in this meeting and we were accompanied by the Chief Commissioner and Commissioners of the Canadian Wheat Board and senior departmental officials....