

Senator CRERAR: Did these countries in the year under discussion take their quantities under the agreement that they were supposed to take?

Dr. HUDSON: I think that it might be useful, going back through the agreements, to indicate just how important the guaranteed quantities were in terms of the total trade. Now, for example, in 1953-54 the guaranteed quantities were 47 per cent of the total world imports of wheat, but this percentage decreased until in 1957-58 the guaranteed quantities were only 29 per cent of the total import trade. Now, the recorded transactions in this most recent year were only 66 percent of the guaranteed quantities. I think this answers in part your question, sir. And the recorded quantities under the wheat agreement were 30 per cent of the total trade between the wheat agreement exporters and wheat agreement importers.

Senator CRERAR: Where did they get the balance of their requirements?

Dr. HUDSON: They got the balance from the same countries, but it was not recorded. This was one of the points of weakness that have been showing up in recent years under the old agreement, and one of the reasons it was felt desirable to make some change in the approach.

Senator CRERAR: As a matter of fact, was not the grain trade in Canada and the United States, and Britain, and elsewhere, pretty well aware of these movements without these being recorded?

Dr. HUDSON: Oh, yes.

Senator CRERAR: Of course, they always have been aware of it.

Dr. HUDSON: And they have been recorded in the statistics, in any case. But this was merely a recording under the terms of the old agreement where importers agreed to accept certain guaranteed quantities if the price went to the minimum, and since importers were afraid of being called to take those quantities at the minimum, therefore they made their guaranteed quantities less than their actual requirements.

The Acting CHAIRMAN: Any further questions?

Senator MACDONALD: The three best customers in the world for wheat are the United Kingdom, Germany and Japan; is that correct?

Dr. HUDSON: That is correct.

Senator MACDONALD: Now, under this agreement if an exporting country, for instance, Canada, is prepared to sell wheat to these countries at \$1.90 a bushel are these countries required to take that wheat up to the specified quantity at that price?

Senator LAMBERT: Down to \$1.50.

Dr. HUDSON: The commitment on the part of the importers extends throughout the range; in other words, at any point within the range below the maximum, at any point say below \$1.90.

Senator MACDONALD: Well, supposing another country will sell at \$1.49 and Canada will sell at \$1.50, are the importing countries required to take their quota at \$1.50?

Dr. HUDSON: Yes.

Senator LAMBERT: Mr. Chairman, there have been special sales made by Canada at what you might call special prices over three or four years, such as the contract with Russia, for instance, which was made during Mr. Howe's regime,—really an agreement for three years, was it not, which has expired?

Dr. HUDSON: But that was a commercial transaction, sir, and at the regular price that prevailed on that particular date.