

Supply—Trade and Commerce

Mr. Churchill: Verbal assurance was given but it also appeared in the communique and it was the first public assurance that was given as to the restrictive measures placed on the former barter disposal program.

I have not at any time objected to the United States disposal program other than in that field and also with regard to the heavy subsidization of flour. I think the United States deserves credit in its surplus disposal program for its generous treatment with regard to a great number of countries in this world which require food. I can see no objection whatsoever to the gifts that the United States has made to India, Pakistan, Ceylon and other countries throughout the world that are in need of food. There has been no interference there with the normal marketing of Canadian wheat.

The thing to which we raised an objection and which we will naturally watch closely was the barter deal for strategic materials and those barter deals occurred within those countries that are normally cash customers for Canadian wheat. The barter deals of a year ago resulted in the sale of United States wheat to normal cash customers for Canadian wheat in the amount of approximately 92 million bushels and we lost our fair share of that market for 92 million bushels of wheat. Certainly 22 million bushels of wheat would have been bought from Canadian sources by Great Britain had it not been for this type of barter deal. Of the 92 million bushels we might have had at least 50 million bushels and that would have brought our sale of Canadian wheat up to 300 million bushels which is the figure we would like to maintain over the years.

That is the situation with regard to the Washington conference and the barter and surplus disposal programs of the United States. I think it is wrong to say that we are objecting to the generous disposal program of the United States that is designed to aid people in need throughout the world.

Mr. McCullough: Would the minister permit a question? Is there any disagreement between the Minister of Trade and Commerce and the Minister of Finance in regard to the United States disposal program?

Mr. Churchill: No disagreement at all. We understand this problem quite thoroughly. I am simply stating in perhaps more specific terms than appeared in some of the press reports the portion of the United States disposal program to which we raised objection and I have in my turn raised objection to their surplus disposal of flour under a subsidization scheme which has seriously interfered with the sale of Canadian flour in

markets that had long been open to Canadian flour. Other than that I have not raised any objection.

Mr. Marler: Would the minister answer this question, Mr. Chairman? It seems to me that frequently during the election campaign the leader of the Conservative party asserted that the United States surplus disposal programs were a direct contravention of the general agreement on tariffs and trade. The attitude which the minister is adopting this afternoon is seemingly just the reverse of the attitude taken by his leader and I am wondering what distinction there is to be made between the very general assertions of the Prime Minister and these less positive assertions of the Minister of Trade and Commerce. Do the surplus disposal programs contravene GATT or do they not?

Mr. Churchill: Mr. Chairman, we think that there has been some difficulty there with regard to GATT and when I was at the Geneva conference I mentioned our objection to the United States disposal program and particularly drew attention to the fact that commercial markets open to Canada for wheat had been interfered with by their methods. While I was at that conference the representatives of several other countries made similar remarks with regard to the United States program and the general impression was that the spirit, if not the letter, of GATT was interfered with.

Mr. Marler: It really was not a contravention?

Mr. Churchill: I have not pinned it down to an actual contravention of some particular article. I did not say so in my speech but I think the general spirit of GATT was contravened.

While I am speaking with regard to wheat may I say that the wheat program of the Canadian government has I think been made clear in answer to questions in this house and elsewhere. I think that some hon. members are overlooking the fact that the sale of our Canadian wheat is in the hands of the Canadian wheat board and is not the sole responsibility of whoever happens to be the Minister of Trade and Commerce.

Mr. Benidickson: That is not what was said during the election campaign.

Mr. Churchill: The wheat board has certainly the direction of the sale of our wheat. Now, I think that a good vigorous selling campaign is under way. I went with representatives of the Canadian wheat board to the United Kingdom and to Europe in September and met with over 200 representatives of the grain trade in the countries there. They wanted one thing. In the first instance they