

30,000 metric tons of wheat a year. Do honourable senators believe that if Russia has wheat to sell she will allow Czechoslovakia to buy from us?

Hon. Mr. HAYDEN: Is that not in the nature of an allocation?

Hon. Mr. HAIG: That is how the 500 million bushels is made up.

Hon. Mr. HAYDEN: But these countries do not have to take a specified quantity?

Hon. Mr. HAIG: Oh, yes, they do; they have to take 500 million bushels.

Hon. Mr. HAYDEN: But the quantities specified for the various countries are allocations.

Hon. Mr. HAIG: They agree to take the quantities specified.

Hon. Mr. HAYDEN: Is the agreement not an attempt to allocate to the various countries the world supply of wheat?

Hon. Mr. HAIG: No. It covers only 500 million bushels.

Hon. Mr. HAYDEN: To that extent it is an attempt to allocate the supply.

Hon. Mr. HAIG: Yes.

The price of wheat on the world market was at one time \$1 a bushel. I well remember the time, and so does the honourable senator for Churchill (Hon. Mr. Crerar), when we thought \$1 was a good price. I have seen my father sell wheat at 50 cents a bushel. I recall an occasion in this house when we argued a long time to get the government to guarantee 80 cents a bushel.

Hon. Mr. HAYDEN: But my thought is that if we agree on an allocation of the over-all supply of wheat to the various countries, it is a matter of common sense that they will accept it only as long as it is profitable for them to do so.

Hon. Mr. HAIG: That is exactly what I am saying. The agreement is absolutely unworkable. I contend that these countries will take their allotments only as long as it is in their interest to do so, and when it is to their disadvantage they will refuse them. The same attitude will apply to the seller. If we can sell our wheat for \$3 a bushel we may carry out the agreement and give 250 million bushels to the pool at \$2, but we certainly will not like doing it.

Hon. Mr. HOWDEN: May I ask the honourable senator whether, if this agreement is workable, it will put us in any worse position than we are in now?

Hon. Mr. HAIG: I answered that question a while ago. The only good thing I can say about the agreement is that I do not think its terms will be carried out. That appears to me to be the best part of it. I am positive that the United States—which is allotted about 180 million bushels—will ratify the agreement only as an attempt to bring about world peace and stability. That country will never approve of it as a business proposition. I believe that public men who, like Senator Vandenberg, are in favour of the United States doing something towards international peace, may be able to convince Congress that the agreement should be ratified on that ground.

Hon. Mr. HORNER: But that country will subsidize its farmers.

Hon. Mr. HAIG: They will be subsidized to the extent of about \$1.50 per bushel.

Hon. Mr. ASELTINE: What happened to the London agreements in the thirties?

Hon. Mr. HAIG: They were never carried out.

We have now got as far as the signing of a preliminary agreement. Australia has agreed to it on the condition that the United States participate in it.

I pointed out what might happen with respect to Czechoslovakia buying wheat from us, and I can give instances of other countries in somewhat the same position. For instance, Norway would like to deal with us, but Russia may have something to say about that. So far as Egypt and Greece are concerned, they will buy wheat as long as we give them the money to pay for it.

I am absolutely opposed to this wheat agreement. I think we are just going through a formality that means nothing. We are not even fooling ourselves. I do not think any honourable member of this house expects that the agreement, if ratified, will be carried out. Even if it started to operate, it would last only as long as the participating countries felt that they were operating on an even keel. The minute the price on the open market goes down, the buying countries will cease to buy; and if the price goes up, the selling countries will complain and demand conditions that will make it impossible to carry out the agreement.

Finally, where are the buying countries going to get the money to pay for wheat, unless the United States allows foreign goods into that country? That proposition does not look very promising for the next two years.

On motion of Hon. Mr. Howden the debate was adjourned.