

PEOPLE IN THE WORLD WHO ARE STILL STARVING OR MALNOURISHED.

A SECOND KEY FACTOR IN DEVELOPING AN IMPROVED WORLD FOOD SECURITY IS A STABLE AND EFFICIENT TRADING SYSTEM. I HAVE REFERRED EARLIER TO THE EXPORT OPPORTUNITIES FACING YOUR INDUSTRY. GLOBAL GRAIN TRADE WAS OVER 200 MILLION TONNES LAST YEAR, MORE THAN DOUBLE THE FIGURE OF 10 YEARS AGO, BUT THE CANADIAN SHARE HAS DROPPED FROM 18 PERCENT TO ABOUT 11 PERCENT. APART FROM OUR EFFORTS TO IMPROVE THE DOMESTIC INFRASTRUCTURE FOR EXPORTS, WE HAVE BEEN GIVING CONSIDERABLE THOUGHT, BOTH IN DOMESTIC DISCUSSIONS AND IN INTERNATIONAL FORA, TO THE CONDITIONS NECESSARY FOR FOOD AND GRAIN PRODUCTION TO BE INCREASED IN RESPONSE TO THE ANTICIPATED GROWTH IN DEMAND. WHETHER CANADIAN OR GLOBAL PRODUCTION, WE ARE CONVINCED THAT THE NECESSARY INCENTIVES TO EFFICIENT PRODUCERS MUST BE PROVIDED BY MARKET PRICES. WE DO NOT BELIEVE THAT GOVERNMENT SUBSIDIZATION OF PRODUCTION OR ARTIFICIAL SUPPORT OF PRICES IS THE WAY TO GO. IF ONE LOOKS AT CANADIAN WHEAT PRICES IN REAL TERMS, THEY ARE ABOUT ONE HALF OF REAL PRICES IN 1973/74 AND CLOSE TO THE SEVERELY DEPRESSED PRICES OF 1976/77. CLEARLY PRICE IMPROVEMENTS ARE NECESSARY, OR THE BEST EFFORTS OF NATIONAL GOVERNMENTS, WHETHER CANADIAN, AMERICAN, AFRICAN, OR INDIAN, WILL BE FOR NAUGHT.

WE THEREFORE CONTEND THAT THE WORLD MARKET MUST FACE THIS REALITY AND PAY A REASONABLE PRICE TO EFFICIENT PRODUCERS. THE EUROPEAN ECONOMIC COMMUNITY HAS EMPLOYED ARTIFICIAL PRICE SUPPORT MEASURES AND WE FEEL STRONGLY THAT THESE MEASURES HAVE LED TO SEVERE DISTORTIONS OF WORLD PRODUCTION AND TRADE PATTERNS WHICH HAVE BEEN INJURIOUS TO PRODUCERS OUTSIDE THE EEC. WE HAVE ALWAYS BEEN TROUBLED BY EUROPEAN POLICIES TO MAINTAIN INTERNAL GRAIN PRICES WELL ABOVE INTERNATIONAL LEVELS WITH CONSEQUENT