

He said: Honourable senators will recall that the proposed International Wheat Agreement was before us for ratification last session, at which time I gave to the house the best information I had as to the purpose and scope of the agreement. I think it would not be in order for me to repeat what I said at that time; rather, I should bridge the gap by telling you what has happened since the last agreement, and what is happening now.

This house ratified an international wheat agreement last year. Unfortunately, due to the failure of the United States Senate to similarly approve by the July 1 deadline, the agreement never went into force.

Following the United States elections last year, President Truman stated that if the agreement were re-negotiated he would again submit it to Congress. The Government of the United States then invited all governments that were interested to send delegates to a conference in Washington to be held January 26 to March 23 of this year. All the countries which participated in the talks this year are experiencing more normal and balanced conditions of trade than last year. The old agreement was reviewed in the light of the change, and the new agreement embodies all the principles of the old one. For this reason I shall confine my remarks to the minor changes in the actual terms of the agreement.

Thirty-seven countries participated actively in the negotiations this year, and by April 15, the closing date for signatures, all but Paraguay had signed. Last year thirty-three countries signed. Among the new signatories are two minor wheat-exporting countries, France and Uruguay.

The old agreement was for, I think, five years. The agreement before us is for a period of four years, which includes and covers the last four years of the old agreement. The quantity of wheat involved in the present agreement is 456 million bushels, as compared with 500 million in last year's agreement. This change is due to the improved position of France, which is endeavouring to become a net exporter of wheat. Of this year's total, Canada's share is 203 million bushels. Because of Paraguay's failure to sign and Peru's reservation that her quantity be reduced by 50,000 tons, there will have to be a reallocation of 4 million bushels when the council meets in July.

For the quantities set out in the agreement, the exporting countries guarantee a maximum price of not more than \$1.80 a bushel, basis No. 1 Northern, in store Fort William-Port Arthur. The importing countries guarantee a floor price of \$1.50, \$1.40, \$1.30 and \$1.20 in the first, second, third and fourth years, respectively. Although this year the

ceiling price is twenty cents lower than it was last, the floor prices are up ten cents in each of the respective years.

Argentina and Russia were invited to attend the talks. They did attend at the beginning, but it was obvious from the outset that Argentina did not intend to become a party to the agreement. Russia took an active part at first, but withdrew toward the end when it became apparent that her demands would not be met. The absence of these two countries does not seriously affect the operation of the agreement.

I have outlined the main changes in this agreement as compared with the old one. Having in mind the changing wheat situation and all the uncertainties that would face the Canadian wheat growers without this international agreement, I move that in the interest of the wheat farmers, and of Canada as a whole, the agreement be approved.

Hon. John T. Haig: Honourable senators, I do not intend to oppose this motion. My feelings about the agreement may be expressed in a very few words: I do not believe its terms will ever be carried out, and I do not believe they can be enforced.

There are five countries—actually four—selling wheat, and while the contract may be enforced against them, there are thirty-two countries buying large and small amounts of wheat against which enforcement of the contract is doubtful.

I do not intend to go into the whole history of wheat agreements. I expressed some personal opinions a year ago, and some of them have proved sound. The United States did not sign up. The picture is this: If the supply of wheat is short, there will be no difficulty in getting the purchasers to take their quotas. If it is long there will be plenty of trouble. I point to the fact that two of the great grain-producing countries, Argentina and Russia, are being allowed to remain outside the agreement.

The price per bushel of \$1.80 maximum and \$1.20 minimum looks pretty good to our prairie farmers, and if it could be guaranteed through the years they would be satisfied; but we must remember that our share in the agreement is about 203 million bushels, and with one country dropping out we probably will supply an additional million or million and a half bushels. That quota is all right in a poor year; but with a crop of say 500 million bushels, if we take out 70 or 80 million for domestic consumption and fill our contract, we would have about 200 million bushels left. That residue would go on the world market, but where and at what price it would sell is difficult to predict.

I have never believed that a world agreement on wheat, or any other product that is