

Inquiries of the Ministry

appropriate for the Canadian government to guarantee domestically those international minimum prices.

TRADE**WHEAT—INTERNATIONAL GRAINS ARRANGEMENT—EFFORTS TO RE-ESTABLISH MINIMUM PRICE**

Hon. Robert L. Stanfield (Leader of the Opposition): I have a further question to the Minister of Industry, Trade and Commerce, Mr. Speaker. In view of the disorganization resulting from the abandonment of the minimum price under the International Grains Arrangement, as reported by the minister, and in view of continuing pressure on world wheat prices, can the minister say whether any continuing consultative committee representing the various countries involved is operating on a day to day basis with a view to restoring order in the market and re-establishing the minimum price under the agreement? I am referring to a consultative group which might meet day by day as opposed to occasional meetings of ministers representing the various countries.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the Leader of the Opposition is ahead of events. He and some members of the press have been ahead of events for the last couple of days. Reference has been made to a collapse in prices, to a dramatic price decline, and so on. Of course, all these things may happen, and I have been perfectly frank with the house in my assessments. They may happen but they have not happened yet. That being so, it is wrong for anyone to leave the impression that they have happened. As a matter of fact, the purpose of the meeting in Washington was to avoid such a happening. In order to do so, it was essential to restore co-operation among the exporters. I am not in a position to say that will happen, but I have been perfectly frank with the house in saying what the situation is and what is being done.

The working group representing the I.G.A. exporting members, established in part as a result of agreements reached in Washington, is about to become operative. In the meantime I am in touch with the I.G.A. exporting members. The maximum communication exists between the different capitals of the exporting countries participating in the I.G.A. The meeting in Washington last week might well have prevented a price collapse from happening.

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Mr. Stanfield: I thank the minister for his statement regarding the functions of the working committee. Anything I said is based on the minister's own statement in the house that the minimum prices under the I.G.A. were under suspension at least temporarily. Those were the minister's own words.

Mr. Pepin: The words I used were: "have been *de facto* temporarily suspended." Perhaps I could have made a better choice of words but, as hon. members know, I am limited in English. I should possibly have said—

Mr. Speaker: Order, please.

Mr. Pepin: —they have become *de facto* temporarily inoperative—

Mr. Speaker: Order, please.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the minister's statement that the floor prices under the International Grains Arrangement are temporarily suspended and a lower plateau was agreed upon by the exporting nations in the I.G.A., can the minister tell the house what that plateau will be and within what price range the exporting nations will be selling wheat from now on?

Mr. Pepin: We are debating very fine points. What I said in my report to the house was that at the meeting in Washington it was realized that there had been "distortions" and that "adjustments" were needed and would have to be made. I do not know exactly at what level the adjustments will finally be made but it has to be presumed that in the present circumstances the level would be slightly lower than the minimum of the I.G.A. pricing schedule. All depends on the willingness of some exporters to restrain their aggressiveness. As I said the other day, there are different ways in which this could be done. So far as Canada is concerned, the lowest decline if there must be one is the objective at this time. We are trying to avoid an accentuated, a dramatic price reduction. This is our objective, and I would like the hon. member to believe we are working hard at it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary Mr. Speaker. Inasmuch as the minister met with the Wheat Board last Monday, can he give the house any information as to the outcome of those discussions with the Wheat Board and whether he