

*Wheat*

this description may be to the people who read it. I say that there are two facts involved. The first is that since the United Kingdom left the international wheat agreement, the international wheat agreement covers only about 35 per cent of the international trade in wheat. I think that is approximately the correct figure. The second fact is that the Liverpool cash and futures market opened on December 1, and the London futures market, we were told, will open in January.

When we look at the wheat holdings in North America, particularly in the United States, we can see the importance of what is being done by our great neighbour to the south. The United States wheat holdings in all positions amount to about 1,700 million bushels. I think the latest figure I saw was 1,702 million bushels of wheat. Of this amount some 780 million bushels—I think 777 million is the latest figure I saw—of wheat are held by the United States government under its price support policy. The announcement to which I have referred, namely that the United States government is to sell its holdings under the Commodity Credit Corporation and to subsidize wheat not governed by the international wheat agreement, means that the United States government contemplates the sale of three-quarters of a billion bushels of wheat at prices that it will fetch on the world market. At least that is the interpretation that I would place upon the statement and on the policy.

If this is correct, and I believe it is, then this is indeed a very serious threat not only to the international wheat agreement, in connection with which the price of \$2.05 was largely agreed to by the exporting nations because of the insistence of the United States, but it is also a threat—and I think this is the important thing to us—to Canada's export position in markets which hitherto we have regarded as peculiarly our own. That of course is largely the British market where, because of the quality of our products and so on, we have had a preferred position over the years, and in the case of flour some preference.

It seems to me that the Canadian government should take immediate steps in an attempt to safeguard our wheat economy from what may be, and what on the face of it looks as though it probably will be, disastrous competition brought about by the policy of the United States government. When we remember that the Liverpool grain exchange opened for business on December 1 and that in January the futures market will open in the great city of London, we can see first of

all a reason why the members of the present British government, never wholly in favour of commodity agreements, hoped that the wheat-producing countries would enter into serious competition for the British market. I do not think there is any doubt but what they had that in mind when they were discussing the international wheat agreement and subsequently refused to sign it.

It also appears evident to me that the United States government, failing to force importing countries to accept a price of \$2.05 per bushel under the wheat agreement, decided that it would take these steps first of all to reduce their wheat holdings, and second, since the international wheat agreement was not signed and thus was not satisfactory to them, to destroy the agreement and to monopolize the overseas market in this very important cereal as far as they could. Therefore I proposed the adjournment of the house for these reasons, not for the purpose of discussing the editorial in the *Winnipeg Free Press*.

**Mr. Howe (Port Arthur):** Thank goodness for that.

**Mr. Coldwell:** Although I quoted it as an introduction to what I have to say and because it related to a very important announcement from Washington that the United States government intends to subsidize its exports of wheat outside the international wheat agreement. I repeat that in my opinion this is a direct contravention of the letter, not to mention the spirit, of the Geneva trade agreement, GATT.

**Mr. Howe (Port Arthur):** What clause of the Geneva trade agreement?

**Mr. Coldwell:** I will read it. It violates article XVI of the agreement which is quite clear and unambiguous in its language. Article XVI, as contained in the final act, reads as follows:

## Article XVI

## Subsidies

If any contracting party grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of any product from, or to reduce imports of any product into, its territory, it shall notify the contracting parties in writing of the extent and nature of the subsidization, of the estimated effect of the subsidization on the quantity of the affected product or products imported into or exported from its territory and of the circumstances making the subsidization necessary. In any case in which it is determined that serious prejudice to the interests of any other contracting party is caused or threatened by any such subsidization, the contracting party granting the subsidy shall, upon request,—