

Nothing pleased us more than to note that, in the latest month for which figures are available -- April -- your government reports that exports from the United Kingdom to Canada were £16 million, the highest level ever attained in a single month. It is not without significance that, in the first four months of 1953, exports from the United Kingdom to the 15 million people living in Canada were almost as large as to the 160 million people living in the United States.

When exporters from other lands tell me that they are having difficulty in selling their goods in the United States, I ask them how they are getting along in Canada. If they cannot sell in Canada, then I know that, in all probability, the fault does not lie in inability to surmount the American tariff or customs barriers, but rather in inability to meet the competition. Canada is a testing ground for the American market.

Before leaving the subject of trade relations between Canada and the United Kingdom, may I say a word about the International Wheat Agreement. Both Canada and the United Kingdom are parties to the present Agreement, which expires at the end of next month. When the Agreement came up for renewal, all of the forty-six countries, now in the Agreement, accepted the new terms and subsequently signed the renewed Agreement, with the single exception of the United Kingdom. The explanation given for the non-adherence of the United Kingdom was that it could not agree to the proposed maximum price of \$2.05 per bushel, which is based on One Northern wheat at the head of the Great Lakes, in Canada. Canada has no quarrel with this decision. If the United Kingdom Government does not wish to be party to an agreement embodying a ceiling of \$2.05, that is its own business. The only reason that I mention the matter here is that there seems to be some misunderstanding about Canada's position.

Let me put the point as briefly as possible: at the \$2.05 maximum price, an importing country, like the United Kingdom, is under no obligation whatever to buy wheat from Canada or any other exporter. At that price the exporting countries are required to deliver their quotas, but the importing countries are under no obligation to buy. If wheat can be bought for less than \$2.05, the importers are free to buy accordingly. The only obligation of the importing countries arises at the minimum price of \$1.55, which all importing countries, including the United Kingdom, are willing to accept.

I have no doubt that if the United Kingdom adheres to its decision not to join in the new Agreement, Canada will continue to sell wheat in this market. We are in as favourable a position to supply the United Kingdom as any other exporter and we will meet the competition, from whatever source it may arise. At the present time, the price for Canadian wheat sold outside the Wheat Agreement is above \$2.05, and it may be above that level at the opening of the new crop season. If the United Kingdom is not a party to the Agreement, the open market price will be the price to the United Kingdom. However, we do not wish to charge the United Kingdom more than \$2.05 and we would gladly support their application for accession to the Agreement at any time.