

amount available to Canada is in the neighbourhood of 100 million bushels.

I definitely do not wish to over-estimate the benefits to Canada of the agreement now in force. The quantity is too low to offer an effective market outlet for normal levels of Canadian wheat exports. Nevertheless, I believe that the majority of Canadian producers favour continued participation. Certainly the principal farm organizations of the Prairie provinces, the presidents of which acted as advisers to the conference, gave their support to the terms of the renewal. There is no doubt that the best possible deal was made. One of the major benefits derived is the stability which this agreement helps to achieve in establishing world wheat prices. It also offers a valuable forum for a continuing examination of the wheat trade picture by participating countries.

It is gratifying that a major exporter, the Argentine, has for the first time undertaken to participate. This will allow the closer liaison which I am sure is welcomed by exporting and importing countries alike and is a change of significance from the previous emphasis by the Argentine on bilateral trading agreements.

The decision of the United Kingdom again to stay outside of the wheat agreement seems regrettable. Its importance as the major wheat importer could have given the element of stability and guidance to the operation of the agreement which, it appears, the importing countries as well as exporters would have found mutually advantageous. However, despite the position taken, there is confidence that Canada will continue to be a major supplier to the United Kingdom.

It is extremely interesting to observe that most importing countries see merit in a continuation of an international wheat agreement. This strongly suggests that the majority of countries, whether importers or exporters, desire a measure of stability in the wheat trade of the world. The price range of \$1.50 to \$2.00 per bushel for the length of the agreement is to Canada the more tangible benefit than the possible level of sales under the agreement. For this reason, together with the many indirect advantages, I commend the agreement to the house for its approval.

**Hon. Mr. Euler:** May I ask my honourable friend a question or two? What is the total number of bushels involved in the agreement?

**Hon. Mr. MacKinnon:** As far as Canada is concerned, 100 million bushels.

**Hon. Mr. Euler:** I was wondering what proportion of the total Canada has.

**Hon. Mr. MacKinnon:** The guaranteed sales for the exporting countries are as follows,

in round figures: the Argentine 14 million, Australia 30 million, Canada 102 million, France 16 million, Sweden 6 million and the United States 132 million.

**Hon. Mr. Euler:** I merely wanted to know what was Canada's position in relation to the large exporting countries like Australia, the Argentine and the United States.

**Hon. Mr. MacKinnon:** We are second.

**Hon. Mr. Hackett:** Will the honourable gentleman permit a question by a mere neophyte? Why has Britain not signed the wheat agreement? Is it because the price is considered too high?

**Hon. Mr. MacKinnon:** I would have liked very much to have an opportunity to discuss this particular point with the advisers, but I can go back to my own experience in the department and say that when we were negotiating sales of wheat to Great Britain there was naturally constant effort by the purchasers to keep the price low, and Great Britain thought that the price would eventually go lower. I think it is a fair statement to make that that thought is back of the hesitation on Great Britain's part to enter into this agreement.

**Hon. Mr. Hackett:** Was the failure of Great Britain to enter into the agreement due to a dispute over the difference between \$2 and \$2.05 a bushel?

**Hon. Mr. MacKinnon:** No, I think not. I have no doubt, as I said, that Great Britain will be purchasing large quantities of wheat from Canada. As a matter of fact, she has assured us she will be doing that, and at the world price.

**Hon. Mr. Hackett:** I am speaking of the agreement. I understood the honourable gentleman to say that Great Britain is not joining in the wheat agreement for the second time.

**Hon. Mr. MacKinnon:** That is correct.

**Hon. Mr. Hackett:** Was her failure to become a party to the agreement due to a matter of price?

**Hon. Mr. MacKinnon:** I do not think so. I think Great Britain prefers to wait and see what the future will bring.

**Hon. Mr. Hackett:** Are we able to say that as much wheat was sold to Britain when she was without the agreement as would have been sold had she been in it?

**Hon. Mr. MacKinnon:** Well, it is difficult to make a definite answer to that question. But, I think there is a certain amount of truth in the suggestion made by the honourable senator from Victoria (Hon. Mr. Hackett).