

*Government Organization*

belief that Canada went wrong right from the start in London when, at meetings of the Wheat Council she agreed, indeed voted for abandoning the old 5th World Wheat Agreement. At that time Canada should have insisted on the old agreement remaining in force until a new one was signed and operative or, failing that, should have pressed for conclusion of a 6th World Wheat Agreement, separate and distinct from any part of the Kennedy round agreements.

One of the best and most revealing pieces of reporting on the whole affair was done by Andrew Knight of London's authoritative *Economist* writing in *Executive* magazine of July, 1967. He accused the Canadian delegation of playing at brinkmanship in the wrong way and at the wrong time. He quoted a British spokesman at Geneva as saying "The 'Cans' are away playing brinkmen" as an explanation of the absence of the Canadian team at an important meeting.

Summing up the Kennedy round, Knight wrote:

—it was an achievement founded on sacrificing some of the grandest aims originally envisaged in the early days of the Kennedy round. The largest of these was the loss of a comprehensive cereals agreement.

This comprehensive cereals agreement was the card upon which Canada's negotiators had staked everything. Mr. Knight continued:

Over its head, Canada therefore found its main single reason for being at Geneva at all, whisked away. The six European Common Market countries and Britain fell in with America, and the Canadians were left high and dry.

I do not expect the present government, or the old or new ministers, to agree with Mr. Knight's assessment. But he was there simply as an unbiased and objective reporter. Just listen to one more observation that he made:

The plain facts seem to show that the Canadian delegation at Geneva played its cards badly in an extremely expensive game of poker. In the eyes of the urbane negotiators of the major grain importing countries—the Six, Britain, Japan—Canadian brinkmanship simply was not relevant to the crowd of technical disagreements to be cleared up if a comprehensive world cereals agreement was to survive.

And later:

—this was one sector of the Kennedy Round not suitable to poker tactics.

Mr. Knight wrote of the "intransigence," "brinkmanship" and "unreal claims" of Australia and Canada that had an unhappy effect in Geneva and forced both to give way in the end. He referred to the "fatal split of opinion" between the United States on the one

hand and Canada, Australia and Argentina on the other. The United States, he claimed, was more interested in feed grain sales to the Common Market and bulk sales than in higher prices. This fatal split was soon exploited by the importers, Britain, Japan and the Six. From all evidence it is still being exploited today to the importers' advantage and the detriment of Canada.

Mr. Knight's view is not an isolated one or simply that of a European. The *Winnipeg Tribune* of January 17, 1968, noted:

It is unfortunately becoming clear that Canadian negotiators at Geneva last year, who professed not to be disturbed by the termination of the International Wheat Agreement, were badly misled.

The newspaper also noted that "there is little use in bemoaning the facts of life." With this I am in entire agreement. We must face the facts of life as they are today, the facts of life as they are in the world wheat market of today, not as they were or might have been.

What are the facts? Let us look only at one or two recent reports on wheat as they appear each Saturday in the *Winnipeg Free Press* under the heading, "Grain in Review." On September 28 last, the opening paragraph of the report read:

New export sales of wheat this week were again non-existent and some of our major customers of the past simply think that our prices are too high.

On October 5 last, the opening paragraph read:

This has been another disappointing week as far as export sales of wheat are concerned as importers are showing little interest currently in entering into commitments.

What about supplies? What about the crop? Despite adverse weather conditions and other factors, the Dominion Bureau of Statistics on September 15 last estimated the 1968 crop would be 627,927,000 bushels, 6 per cent above the previous year and 16 per cent above the ten year average. Of course in the interval we have had the problems of wet grain and of the movement of grain. I am not going to mention them now because I am sure the minister has heard enough about them, but in the last several months these problems can be said to have had their effect on the general economy of the country.

The United States Department of Agriculture recently estimated that world supplies of wheat would be about double the probable sales. These figures give us some conception of the magnitude of our problem. We are long on wheat and short on customers. This situation cannot await long and cumbersome discussions relating to the setting up of yet