

intended to attack the problem of surpluses which had become much more important the last two years than it was when the present Agreement was negotiated. Rightly or wrongly, public opinion in this country had approved of the U.K. Government's withdrawal from the Agreement and expected no particular advantage to accrue from the U.K. returning to a substantially similar Agreement.

3. After listening to this outline of U.K. thinking, in which Hitchman had not thought it necessary to define the U.K. position in respect of any specific aspects of the present Agreement, I decided, I hope correctly, that it would be unwise and unrealistic at this stage to reveal any of the specific points in the Canadian position which you had authorized me to communicate to Hitchman and his colleagues. I said that as far as I knew, thinking in Ottawa had been proceeding on much more modest and limited lines, that we had been considering the pros and cons of continuing an International Wheat Agreement of much the same shape and structure as that now in being — particularly as the preliminary discussions in Geneva had not produced any suggestions for its radical revision. In making up our own minds we naturally wished to know how much importance the U.K. attached to such an agreement. In general we felt that international wheat prices were not high in relation to other commodity prices, and that the quantity of wheat moving into human consumption was not likely to be proportionately increased by downward price adjustments. They did not dispute this very vigorously but thought that there was a good deal more elasticity in the demand for wheat for feed.

4. Hitchman said that they had seen McCarthy of Australia this morning, and had given him a similar explanation of the U.K. approach to the problem. They would very much like to learn how Canada viewed it before their ministers here settled their delegation's instructions from Geneva. He hoped we would be in a position to meet them again early next week. In the meantime they were not proposing to consult any other government, although it was possible that after they heard from Canada and Australia, they might put their ideas up to the U.S. and possibly India before the Geneva Conference resumed.⁹

825.

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*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 193

Ottawa, February 6, 1956

SECRET. IMPORTANT.

Following for N.A. Robertson from C.D. Howe, Begins: Your report of the United Kingdom approach to a new International Wheat Agreement did not occasion surprise. We had formed the very strong opinion that the United Kingdom did not intend to rejoin the present Agreement, almost regardless of price levels, and would seek some means of withdrawing from the present Geneva negotiations while still appearing to support the principle of an International Agreement.

⁹ Note marginale :/Marginal note:

Mr. Ritchie & file: Mitchell [Sharp] and [George] Vogel have seen this. They regard this as a clever UK way of presenting a refusal to participate, knowing full well that none of the importers at Geneva was willing to discuss domestic politics. J.F. G[randy]