

Thirdly, the United States attempts to trade its wheat against strategic materials. I do not think it is unfair to say, from the evidence available, that the emphasis is more on disposing of wheat than on securing supplies of strategic materials. Fourthly, the United States offers wheat without payment to countries which are in dire need, because of some calamity. In principle, of course, there can be no objection to such gifts, provided that they are not used to destroy commercial markets, which would otherwise have been available. Fifthly, in recent weeks the United States has been offering limited quantities of grain by auction to the highest bidder. To this auction method of selling we have taken the strongest exception, because it destroys confidence in the whole world price structure.

As I said, I do not think that the United States intends to harm Canada by any of its policies. Yet there can be no doubt that, whatever the intention, the methods used by the United States to dispose of its wheat surpluses have been harmful, not only to Canada, but to the wheat situation in general. The Canadian Government has pointed this out to the Administration time after time, over the past year or so, through diplomatic channels, and by other more direct means of communication. When the members of the United States Cabinet were in Ottawa in September, to meet members of the Canadian Cabinet, I put the Canadian point of view before our American friends more strongly than ever before. As a result, Secretary Benson arranged for a meeting in Washington between officials of the two Governments. To indicate his personal interest in the matter, Mr. Benson himself appeared at these Washington meetings. After a year or more of continuous representations, climaxed by these recent meetings between Cabinet members and officials, there can be no doubt whatever in the minds of the United States Administration about the Canadian attitude. Already, indeed, there have been some significant changes in United States policies as a result of the representations which Canada made, and monthly meetings have been arranged between officials of our two countries to keep the situation under close review.

It would have been more satisfactory, of course, if the United States Administration had agreed to abandon its surplus disposal activities. But let us be realistic. Is this likely to happen immediately? I do not think so. But what I do think is that the United States, both the Administration and the Congress, will be prepared to listen to reason.

The problem in the United States stems from the fact that prices in that country are being supported at levels well above those prevailing on world markets. The United States would not sell any wheat at all, if exports were not being subsidized. It would be unreasonable therefore for Canada to protest at every subsidized export, or at every open or thinly-disguised "give-away". If we did protest every time the United States subsidizes exports, or sells for local currency, or sells in exchange for strategic materials, the Administration would cease paying any attention to us.

This is the reason, too, why it is unrealistic to try to get the United States to put a bushel limit on their surplus disposal activities. The United States would do that only if Canada, Australia, France and other exporting countries would likewise agree to limit their exports.