

have sold the bulk of our export wheat to the United Kingdom. The agreement is for four years, not five. But that's not important. What we agreed is simply this: We undertook to provide a stated amount of wheat for the United Kingdom at a price below the present world price. The price specified for next year may also be below the world price, although no one can be quite sure of that. The price is still to be fixed for the last two years of the agreement but the agreement set minimum figures below which we will not go. For the first two years the United Kingdom will get the bulk, but not all, of the wheat it needs from us for fewer dollars than they would otherwise have had to spend. That's their advantage. For the last two years, when there may well be a large surplus of wheat again in the world, our producers are assured that the price will not fall, for part of their exports at least, to catastrophic levels. That's the Canadian advantage.

ATHERTON: Yes, well the point is that to us that looks like bilateral trading whereas we were of the opinion that Canada, with us, regarded multilateral trading as the best insurance of prosperity. In other words, if two members of a family, let us say, living in a small community, agree to do all their business with each other: there is not going to be a great volume of general trade for the community as a whole. Whereas if they buy their shoes, for instance, from one source, their clothes from another, and conduct their own business relations in terms of the products they specialize in, it will be better all around.

WRONG: Of course we agree with you on that, Mr. Atherton.

ATHERTON: Some Americans point to the wheat agreement and say that looks like an exception.

WRONG: You forget that there is an "escape clause" in the agreement. Both parties are obligated to amend it if it comes into conflict with any multilateral arrangements that may be agreed upon. We have been trying for years to get a multilateral agreement on wheat,