

He said: Honourable senators, this resolution calls upon the Senate to approve Canada's participation in the International Wheat Agreement opened for signature at Washington on March 6, 1948 and signed by thirty-six countries, including Canada. No additional legislation is required to implement the agreement beyond that contained in the Canadian Wheat Board Act and the Export and Import Permits Act.

Formal acceptance of the agreement is required by July 1 by all countries whose legislatures have been in session since the agreement was signed. Australia and several importing countries on the European continent have already accepted. The United States has not yet done so, but there is a fair possibility that it will accept later this year; and the United Kingdom is expected to do so shortly. Approval by Canada of the agreement will therefore discharge our responsibility for making it operative during the coming crop year.

Honourable senators are no doubt familiar with the various proposals that have been made from time to time for many years in order to get some stability into the world wheat trade. I think it is sufficient to point out that the method involved in this agreement differs from the old approach, in that it guarantees the movement of certain quantities of wheat within an agreed price range, leaving trade beyond these specified quantities to be governed by normal market forces. On the other hand, the old proposals were in the main attempts to influence the price of wheat by restricting world supplies.

The agreement now before us emerged from conferences held between supplying and importing countries in 1947 and 1948. It involves the annual sale of 500 million bushels of wheat over the next five crop years. Of this quantity Canada's share is 230 million bushels, our normal export surplus. The price range, based on No. 1 Northern in store Fort William-Port Arthur, provides for a ceiling price of \$2 per bushel over the whole five-year period, and a floor price beginning at \$1.50 and declining by ten cents each year thereafter until a figure of \$1.10 is reached in the final crop year. Each importing country is assigned a share of the 500 million bushels. It has the right to buy its quota at the ceiling price, and assumes an obligation to buy it at the floor price. The exporting countries, conversely, must supply the contractual quantities at the ceiling price in return for the right to sell such quantities at the floor price. In other words, the importing countries are assured of supplies at not more than the ceiling price, and the exporting countries have an assured

market for the amounts of wheat specified in the agreement at not less than the floor price.

The total amount of wheat in world trade at the present time is about 850 million bushels a year. It is clear, therefore, that a substantial quantity over and above the 500 million bushels specified in the agreement will not be subject to these guaranteed prices.

I may add that Russia and Argentina, both large wheat-producing countries, declined the invitation to participate in this agreement. Their absence, however, will not affect the successful working of the agreement, as the contractual quantities and the agreed price remain in effect in spite of competition from wheat outside the agreed quantities. The 500 million bushels will be traded within the guaranteed price range, whether or not other wheat is being traded at prices higher or lower than the specified ceiling and floor prices.

It is important to note that the terms of this agreement in no way limit our rights under the Canada-United Kingdom Wheat Agreement. The \$2 price for the 1948-49 crop year under the British contract remains in force, and the price for the fourth year is to be negotiated before the end of this year. The agreement is non-committal about states trading in wheat; the United States will fulfil its obligations without interfering with the private sale of wheat, while Canada and Australia will continue for the time being to sell through their respective wheat boards.

Although the resolution expressing approval of the agreement was passed in the other place without any material opposition, I think we all realize that there is considerable difference of opinion with respect to it. I received from a leading citizen of Winnipeg a carefully reasoned argument against the general proposal. I am not in a position to discuss it at length, but a perusal of it left me with the query—and there may be something to it—what then? Without being particularly well versed in the subject, I believe that the agreement represents, on the part of those engaged in this particular branch of agriculture whose views and efforts are expressed in this document, an attempt to achieve some degree of security in the future.

Security in regard to agriculture may be attained, I suppose, along two lines. The one which I regard as the more effective would be achieved through the establishment, on a world-wide scale, of the maximum extent of multilateral trading, to the end that the hunger of a large part of the world's population could be satisfied from the reserves possessed by those who are in a position to grow much more than is required for their domestic needs;