

It hardly needs saying, therefore, that Canada is particularly interested in any international co-operation which could make the best use of world food supplies - which would contribute to the health and efficiency of all people at reasonable costs - and which would bring a measure of stability in price to agricultural producers.

Last year we had a number of commodities which were prevented access to their natural market because those commodities were declared surplus under the provisions of E.C.A. We could have supplied some of these items at fifty per cent less cost to those paying than they were supplied.

Canada, therefore, is prepared to give serious consideration to any international action designed to attain production and distribution of food. From this point of view we are interested in the proposal advanced by the Director-General for an International Commodity Clearing House. While endorsing the principle underlying this proposal we are not in agreement with the means which, it has been suggested, are necessary to reach the objectives. In this connection we may appear to agree with what has been said by the United Kingdom and United States representatives.

Any transactions developed under the short term trading functions will be subject to concurrence by the governments concerned, and the major details of such transactions will also be subject to agreement by governments. This being the case it hardly seems necessary to have an international agency actually buying and selling in commodity markets. It may even be questioned whether such activity in commodity markets by an international agency is desirable. It seems to us, therefore, that the question of the creation of a large capital fund for such a purpose is not necessarily an issue.

We can see considerable merit, as a long-run development, in the proposal that stocks of food should be held against shortage situations which experience has shown will develop.

Lord Boyd Orr, in presenting his proposal for a World Food Board, had in mind the fact that the world had surpluses during certain periods and extreme shortages in other periods. It was his purpose to stabilize returns to producers and costs to consumers by setting aside surplus quantities in good years for periods of shortages. As has been pointed out in other Conferences, however, national governments can, and do, perform this function and we do not see that stocks held by an international agency will, in the short run, contribute to any improvement in the present situation. Canada, for example, has provided for the holding of stocks of wheat under government control. Moreover, it is probably consistent with other developments to envision the long-term holding of stocks as an element in all overall commodity agreement.

We are inclined to agree that an international agency might well perform a useful function by keeping the supply and requirements for food constantly under review, and by exploring the possibility of facilitating adjustments between countries having food available for export and those where shortages are a problem, and finally by bringing together groups of governments of such countries to promote the orderly disposal and effective utilization of commodities which appear to be accumulating in exporting countries.

In suggesting the above functions for a co-operative agency it is realized that other means may be found to achieve the desired objectives. However, no matter what type of agency is involved it will have to take cognizance of a responsibility referred to in the preamble to the Director-General's recommendation about an