

their agreements. I certainly would not like to put the standard of morality in international business on as low a plane as my honourable friend has put it, for we look to people to honour their signatures, even though at times they may find it very difficult to do so. That is one of the first principles of business. Although there is at present no law which could be invoked to compel a nation to abide by an agreement, it seems to me that in the face of all the existing organizations for international co-operation it is unthinkable that any country would default on an undertaking of this kind. The country would lose face, as the saying is, and that would tell strongly against it whenever thereafter it desired to enter into any other agreement.

This agreement may not be perfect, but it is the best that can be made for the time being. That being so, it seems to me that we should accept it and trust in the good faith of the signatory nations.

In recent years, honourable senators, there have been a number of important international declarations, undertakings and associations. First there was the Atlantic Charter, which declared the sanctity of the Four Freedoms; a few years later the United Nations Organization was established, and now we have the North Atlantic Treaty and a new set-up for the commonwealth. In the past there has always been a feeling that no nation could be forced by law to live up to its undertakings with another nation, and it seems to me that the time has come when the United Nations must give serious thought to this. If international agreements cannot be enforced by sanctions, we should try to arrive at a general understanding that it will be a matter of honour for every nation to carry out its obligations; and if we can ever reach that stage we shall have the best possible guarantee that they will be carried out.

Hon. Norman McL. Paterson: Honourable senators, it is too bad that we are not going to have an opportunity to ask a few questions about this agreement in committee, for I notice that the gentleman who signed the agreement on behalf of Canada is sitting in the gallery.

Perhaps it would be of interest to the house to hear of one Canadian's experience of some years ago, when the Argentine froze all its foreign exchange. Canada then had a surplus of wheat, and our Winnipeg merchants had an open market and were endeavouring to sell wheat in England in competition with the Argentine. At that time English investors owned a preponderance of Argentine railroad stock. The dividends were credited to their accounts in the Argentine, but the government there would not permit any of

those funds to be removed from the country. Argentine wheat was then being sold in England, and we were not able to meet the competition. We discovered afterwards that the railroad dividend credits were being exchanged in the Argentine for wheat.

It seems to me rather ridiculous for us to say we are not on the gold standard, when the only thing we will take in exchange for goods is gold. We will not accept the paper money of other countries or their verbal promises. I feel that we are more on the gold standard today than we have been at any time in the history of the world. I think this agreement is probably the best arrangement we can have under the circumstances, and we should trust in God that it will work.

On the 1948 crop we have about 140 million bushels of wheat available. That quantity can be carried over or it can be exported, whichever it is decided to do. We may be thankful, if we get no rain in the West that it is available to carry over. At the present time we have more dust storms than we have had at any time in ten years. In certain parts of Saskatchewan the condition is critical.

We happen to be facing the United States, our big neighbour to the south, which probably has one of the largest surpluses in its history. That country will have perhaps a billion and a quarter bushels of wheat to harvest this year. When the agreement was first presented to her she did not choose to sign it, but at the present time her attitude is much more favourable for the reason that she has a large exportable surplus. If the United States declares a wheat surplus, then the United Kingdom cannot use American money for the purchase of Canadian wheat. Further, England may not be able to buy our wheat unless we purchase some goods from her. This is a two-way agreement, that more or less forces England to buy our wheat and requires us to purchase her goods.

This agreement is the best we can hope for and, under the circumstances, we must trust it to work.

The Hon. the Speaker: Honourable senators, is it your pleasure to concur in the motion for approval of the International Wheat Agreement?

Some hon. Senators: Carried.

The motion was agreed to.

OLEOMARGARINE

EFFECT ON DAIRY INDUSTRY

On the Orders of the Day.

Hon. R. B. Horner: Honourable senators, before the Orders of the Day are called, I should like to make a few remarks on an important question which seriously affects