

Supply—Finance

away misunderstanding with regard to transactions or anything else of importance that may come up. When President Kennedy took over in 1961 that oral gentlemen's agreement between the head of a great state and the representative of the Canadian government was renewed.

That agreement worked well for us in 1962 when France moved 200 million bushels on to the world market at 25 cents below normal French prices. The United States reduced its price by 25 cents and the Canadian Wheat Board recommended that we follow suit. There is nothing in the act that allows a minister to interfere with the wheat board in setting prices but the minister knows as well as I do that I did not allow the wheat board to drop its price by 25 cents.

I asked the wheat board to hold up everything until I had talked with the responsible United States minister. After I finally reached him late on Sunday evening the price which had been reduced by 25 cents at the close of business on Friday was put back on Monday morning to where it had been. The Minister of Finance knows that the United States official in doing what he did not only was guilty of breaking a gentlemen's agreement between the heads of two governments but he also had run afoul of the decision made under the International Wheat Agreement and under GATT. I say that there is nothing in the act that states that the minister in charge of the wheat board has any power—

Mr. Sharp: May I ask a question for clarification?

Mr. Hamilton: Yes.

Mr. Sharp: Is the hon. member saying that this was in breach of the International Wheat Agreement? That was what I understood had been the point at the time.

Mr. Hamilton: I am suggesting that there were three grounds for my protest. The main protest was under the political agreement between the two governments, which had been breached. I am also suggesting that because of the extent of the drop in price by the United States that country had put itself in jeopardy with respect to having broken through the floor under the International Wheat Agreement. Another point which was not clear was that we had acted in a way which had infringed on GATT.

I make these points to illustrate that there is a job for the minister and that job is to protect the wheat board. A commissioner of the wheat board cannot approach the Presi-

dent of the United States or any one of his executives or ministers in his cabinet. Ministers of the government may do that. Ministers make the agreements and they have to honour them.

In concluding this part of my remarks may I say I know that the Canadian Wheat Board Act lays down none of the responsibilities I have talked about as being responsibilities or duties of the minister.

Today the minister began by saying that he had tried to make clear what the divisions of responsibilities were between the Canadian Wheat Board and the minister. I say that what he did was exactly nothing. He did nothing. The Canadian Wheat Board Act lays down no duties for the minister.

Mr. Sharp: But there are many duties.

Mr. Hamilton: What I have tried to do is show the contrast in the way the minister backed up the Canadian Wheat Board at the political level internationally and the way the minister backed up the wheat board at the domestic level thereby reducing complaints against it. I would suggest very strongly that the better friends of the Canadian Wheat Board were those who tried to make it work.

I have another example I wish to pass along. I want to conclude my preliminary remarks by talking about the sale to China. You can imagine Mr. Chairman, how tired one gets hearing a gramophone record saying over and over again that the Canadian Wheat Board sold wheat to China in 1961. How many times have I heard that either on radio, on television or in this house.

Mr. Diefenbaker: Nobody believes that.

Mr. Hamilton: The farmers do not believe it.

Mr. Sharp: It is true.

Mr. Hamilton: The minister says that it is true.

Mr. Sharp: I know it is true.

Mr. Hamilton: I want to tell the minister the facts of life. Can this minister who knows everything and who learns nothing say that the Canadian Wheat Board can sell grain on credit? It cannot sell a single bushel on credit and he knows it.

Mr. Sharp: I did not say that.

Mr. Hamilton: When the wheat board went to Peking for the second sale members of the board telephoned me. They said, "The Chinese want to buy wheat but they have no money". Can the minister say that the wheat