

3. Bishop stated that the U.K. will suggest that the International Wheat Council be empowered to discuss basic wheat problems and for such discussions to include countries which are not signatory to a new Wheat Agreement if one is negotiated. He amplified this thought in discussion by stating that the Wheat Council could exercise dual function of administering a renewed Wheat Agreement if one is arrived at, and in addition direct its attention to surplus problems. He indicated that the U.K. would indicate some basic problems for consideration and in discussion indicated that production incentives in importing countries would come within his proposal. Bishop also stated that although the U.K. will not take part in discussions for a renewal of the present Agreement, they will stand by for discussions of other proposals. This eliminates U.K. from price and quantity discussions if the conference gets to that stage.

4. In reply to a question by the High Commissioner, Bishop stated that the United States was being advised of the British position this afternoon, as well as other Commonwealth countries not already advised.

5. Bishop further stated that the U.K. position would be presented to the Wheat Conference in an official statement on Monday next at the plenary session. In discussion he indicated that the responsible ministers thought that no time should be lost in revealing the U.K. position.

6. A difficult position now confronts our delegation. Our feeling is that following the U.K. statement we should make a short statement to the effect that as a result of discussions at first session Canada had decided to support the renewal of the current Agreement provided it contained guaranteed quantities sufficiently large to enable it to accomplish its objectives. However, in view of the decision of the U.K., the world's largest importer, not to participate in renewal, it appears to us that the conference is now confronted with two major problems. These are:

- (a) to explore the feasibility of re-negotiating an Agreement without U.K. participation;
- (b) to study carefully and examine the U.K. proposals.

Delegations will require time to reassess the Wheat Agreement position and to study the U.K. proposals. Having said this, we should then suggest an adjournment of the conference in order that delegations might secure new instructions. In order to facilitate consideration by other governments, we would invite the U.K. delegation to amplify its new proposals in as much detail as possible prior to the adjournment.

7. Our delegation will await your instructions.<sup>10</sup>

829.

DEA/4171-D-40

*Réunion hebdomadaire des directions*  
*Weekly Divisional Notes*

Ottawa, March 6, 1956

UNITED NATIONS WHEAT CONFERENCE

The Second Session of the United Nations Wheat Conference which began in Geneva on February 20 is still in progress. It is not yet clear whether or not these discussions will lead to a new International Wheat Agreement to replace the present agreement which

<sup>10</sup> Ces instructions n'ont pas été trouvées./These instructions were not located.