

## ORAL QUESTION PERIOD

### TRADE

#### WHEAT—INTERNATIONAL GRAINS ARRANGEMENT—EFFECT OF PRICE REDUCTIONS

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce a question based on an excerpt from the communique which he read. I quote the excerpt: "The ministers—recognized that distortions had appeared and that corrective action would be taken by some exporters to bring prices into proper competitive relationship in the interests of orderly marketing and price stability."

Does this mean that the ministers attending the meeting on behalf of the various countries recognize the right of exporting nations to reduce their prices to competitive levels, and does this constitute a recognition by the ministers that such reductions would not be tantamount to a violation of the International Grains Arrangement and that therefore, in effect, the agreement is a dead letter?

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):** Mr. Speaker, I think the communiqué recognizes that some exporters were in a difficult situation because of present circumstances which I will not go into. Those exporters who have been doing well recognize that those who have not been doing quite so well have the right to adjust their prices in order to become competitive. That applies particularly to the United States and Canada. This means, I would think, that minimum prices under the I.G.A. are to be *de facto* temporarily suspended. Exporters believe however that these minimums still have some orderly effect in the sense that they remain an indication of what is fair and reasonable, at least as far as Canadian wheat farmers and the Canadian government are concerned.

**Mr. Stanfield:** A supplementary question, Mr. Speaker. Since the I.G.A. minimum prices appear to have become guidelines only and since our grain farmers, wheat farmers in particular, face a very grim cash situation, what substitute does the government propose for the floor price which everyone thought was guaranteed under the International Grains Arrangement?

**Mr. Pepin:** Mr. Speaker, this is another subject involving the incomes of wheat farmers. The Minister of Agriculture, the Prime Minister and I have said on a number of

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occasions that this matter is under study. We must deal with events as they occur. May I be permitted to say that no one in the world knew precisely what was going to happen in world wheat marketing when a few months ago this government was being asked to guarantee the floor at \$1.95½ a bushel.

**Mr. Stanfield:** A further supplementary question, Mr. Speaker. Since there is no longer any doubt that a new policy will have to be implemented, can the minister indicate to the house when the government will bring in the policy it will implement as a substitute for the floor price that had prevailed under the I.G.A.? It appears that that floor price is temporarily in abeyance.

**Mr. A. P. Gleave (Saskatoon-Biggar):** A supplementary question, Mr. Speaker. If I heard the minister correctly, he said that exporters were inclined to support the minimums under the International Grains Arrangement. As I recall, that agreement includes both exporters and importers. What is the attitude of the importers? Are they also inclined to support the minimums laid down under this arrangement?

**Mr. Pepin:** Mr. Speaker, the conduct of importers in recent months has clearly indicated that they are not keen to do that. Most of them are keen to buy at the cheapest possible price. In my view these are taking a very short term view of the necessity of preserving an orderly market in the world. The hon. member should not forget, however, that exporters are basically responsible for maintaining stable prices in the world. That was the spirit in which we approached these questions in Washington last week.

**Mr. Gleave:** A further supplementary question, Mr. Speaker. In view of the statement the minister has just made and considering that this is an international agreement signed under the auspices of the General Agreement on Tariffs and Trade, will the government consider asking the United Nations, under whose auspices these negotiations were carried on, to reconvene the conference in order to discuss this matter?

**Mr. Pepin:** Mr. Speaker, in time that may be the right approach to take. At this time I do not think it would be a practical crusade to undertake.

[*Translation*]

**Mr. André Fortin (Lotbinière):** Mr. Speaker, I would like to ask a supplementary question.