

*Supply—Trade and Commerce*

president of the European Economic Commission.

I am also planning to hold further discussions with British ministers on these matters, as well as on the important question of possible British accession to the European Economic Community. We are maintaining the closest consultation with the British government in order to ensure that Canadian trade interests are taken fully into account.

Now, I should like to turn to the subject of wheat which has been receiving a great deal of my attention in recent days, and will continue to do so.

First, let me again clarify the position of the new international agreement scheduled to come into effect on July 1, 1968. You will recall that while the administrative provisions of the old International Wheat Agreement were continued, the price provisions lapsed on July 31 last, as I informed the house. In this connection I refer hon. members to *Hansard* of April 7, page 14643, and of June 5, page 1134.

An extension of the lower price range of the 1962 agreement was not acceptable to Canada and other exporting countries who were negotiating in the Kennedy round for a higher price range for wheat. Indeed, acceptance of the former and lower price range at that time would have prejudiced the securing of the higher price range then under discussion in Geneva. The Canadian position was worked out with representatives of western farm groups, who were present in Geneva during the negotiations.

As I informed the house on earlier occasions, we were successful in negotiating a 21 cent increase in the price range as compared with the old International Wheat Agreement, and I again emphasize it was an increase in the range. This agreement was signed by 17 countries, including most of the major commercial exporters and importers.

On announcing the terms of the agreement, and on other occasions, I emphasized that the specific prices at which wheat would trade within that price range would be determined by market factors of supply and demand. For example, in reply to a question by the hon. member for Burnaby-Coquitlam, I said:

• (3:50 p.m.)

Mr. Speaker, as I am sure the hon. member knows, these are simply minima and maxima within which the world price can and does fluctuate. The world price still is determined largely by supply and demand, having regard, of course, to the maximum and minimum referred to here.

Subsequently, a negotiating conference was held in Rome during July and August for the purpose of expanding the Geneva accord into a full-fledged international agreement, incorporating the price and food aid commitments negotiated in Geneva as part of the Kennedy round. Fifty two countries attended the Rome conference, including all signatories of the Geneva agreement. The new grains agreement is scheduled to come into effect on July 1, 1968. This date was not Canada's preference, and we pressed hard in the negotiation in Geneva and Rome for an earlier date. However, constitutional procedures in other countries, and particularly decisions yet to be taken among the E.E.C. member states, made it impossible to obtain agreement for earlier implementation.

In the interim, until the new agreement comes into effect, it is essential that market stability and adequate prices be maintained.

I have been very concerned about the downward trend of wheat prices in recent months. I am particularly concerned that wheat has been trading in world markets slightly below the minimum prices established in the Kennedy round agreement, although they are substantially above the minimum of the old wheat agreement which was \$1.74 for No. 1 Northern.

Canada did not initiate the downward trend in world wheat prices, but rather was forced to lower prices to meet competition from other exporters.

It was against this background that I met in Washington on September 12 with the United States secretary of agriculture, Hon. Orville Freeman, and the United States special representative for trade negotiations, Ambassador William Roth.

The house will recall that following these meetings greater confidence developed amongst overseas buyers. The tone of the market has improved and Canadian and United States export prices have increased two and three quarters cents per bushel.

At the present time, No. 1 Northern is priced three quarters of a cent below the new agreement minimum basis in store the lakehead. At least, it was at that price earlier today.

**Mr. Woolliams:** What is the price at the lakehead today?

**Mr. Winters:** Perhaps a cent above that as of this afternoon.

**Mr. Woolliams:** I did not hear the price you gave.