

Under the 1949 and subsequent International Wheat Agreements Canada alone, of the major exporters, had a firmly established price range with No. 1 Northern being the reference wheat and Fort William/Port Arthur (Thunder Bay) being the reference port. The IGA 1967 was an attempt to strengthen pricing provisions by having firm price ranges established for the principal grades of wheat of all major trading nations. Unfortunately, the IGA minimum prices were breached by certain exporting countries even before the arrangement came into effect.

Prior to the International Wheat Conference in February 1971, the United States rejected the IGA pricing formulas as a basis for negotiating a new agreement. It was proposed that there be a return to the old IWA formula under which only Canada would have a specified price range. The latter proposition was unacceptable to Canada as it could have put the country at a competitive disadvantage in relation to the other major exporters.

The Conference was unable to reach agreement on either the establishment of reference grades or the establishment of reference points and related price equivalents. Failure to agree on these technical difficulties meant it was not possible to devise meaningful price provisions which met the objectives of market stability and equity of rights and obligations among exporters and between exporting and importing countries.

Under Article 21 there is a requirement that the Council examine at an appropriate time the questions of prices and related rights and obligations, and, when it judges these matters capable of successful negotiation with the object of bringing them into effect within the life of this Convention to request the Secretary-General of the United Nations Conference on Trade and Development to convene a negotiating conference.

In both its November 1971 and July 1972 sessions the Council considered the possibility of action under Article 21 but did not judge the issues as being capable of negotiation at either of those times. Technical difficulties remained the paramount problem. International monetary instability, insufficient trading experience in the new grades of Canadian wheat, anticipated changes resulting from the enlargement of the European Economic Community early in 1973, and lack of preparatory time were cited as other reasons. However, the Council reaffirmed its objective to implement substantive economic provisions within the life of the present Convention, and directed the Executive Committee to keep the matter under continuous review and to report on it at each session of Council.

Despite the absence of price provisions and related rights and obligations, the International Wheat Council continued operating within the framework of the IWA. During the 1971-72 crop year (July-June) 47 importing countries and 12 exporting countries plus the European Economic Community participated in the Agreement. The EEC, which regularly engages in both importing and exporting, is listed simultaneously in the Convention as an exporting country and as an importing country with all the rights and obligations pertaining thereto.

IWA member countries are involved, either as importers or exporters, in over 90% of the total world trade, commercial and non-commercial, of wheat and flour. However, only commercial sales between members are explicitly subject to the terms of the Wheat Trade Convention. Commercial sales by member exporting countries to member importing countries in 1971-72 amounted to 798 million bu. This was 41.5% of total world trade in wheat and flour. Member importing countries purchased over 95% of their import requirements from other member countries in 1971-72.

The Food Aid Convention. Eight countries plus the EEC were members of the Food Aid Convention. Over-all commitments (including in some cases cash contributions or ocean freight contributions) represented the equivalent of approximately 4.0 million tons of wheat in 1971-72. Canada's contribution was 110,200 tons (4.0 million bu) in excess of her obligation of 495,000 metric tons (18.2 million bu).

Commodities shipped under the Food Aid Convention were wheat, wheat flour, bulgur, corn, cornmeal, sorghum, rolled oats, rolled wheat, corn-soya mix, wheat-soya blend, oats, barley, and rice, as well as agricultural materials.

11.7.1.3 Miscellaneous grain trade statistics

Lake shipments of grain. The 1972 navigation season opened at the Canadian Lakehead on April 14 and closed on December 30. Details of lake shipments for 1971 and 1972 are given in Table 11.37.