

*Wheat—Negotiations with Poland*

minister, the words that appear on page 5683 of *Hansard*—

Perhaps I could relieve the situation by saying that the position will be unchanged when my estimates of the Department of Trade and Commerce are discussed.

—certainly misled me. I understood that the deal had not been completed—and may I say it is a deal of which I am fully in support. I wish to see our wheat sold, and I believe that what the government has done is quite justified. But I must say I regret to have to say—and I agree this morning with the Leader of the Opposition (Mr. Drew)—that we have been misled. It is true, of course, as the Minister of Trade and Commerce (Mr. Howe) said, that there would be an opportunity to consider the matter in full. But I took it to mean that the deal had not been completed. But in the light of what has been said on prior occasions, as noted this morning, I certainly was misled, myself.

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** Mr. Speaker, perhaps it is unfortunate that I was not in the house on Friday when this question was raised. I thought all the facts of the situation on that date were known to hon. members. The Prime Minister's statement made on that day was perfectly correct.

We received, in the ordinary course of business, an application to the Export Credits Insurance Corporation for an undertaking to insure 85 per cent of the purchase price of a quantity of grain to Poland—a quantity of 250,000 tons. That application was considered by the officers of the corporation and by the financial officers of the government, and it was reported to me that the application was a good commercial transaction, and one that the Export Credits Insurance Corporation could recommend.

I placed that recommendation before the government, and the government agreed that the Export Credits Insurance Corporation could take on the commercial loan under section 21 of their act.

**Mr. Fleming:** When was that?

**Mr. Howe (Port Arthur):** That was prior to last Friday—I cannot say the exact date, but a few days prior.

The government has taken no action since then. The agent of the Polish government was informed that the Export Credits Insurance Corporation was agreeable to underwriting the transaction. Yesterday or the day before, I am not sure which, the agent of the Polish government bought in Winnipeg 50,000 tons of No. 5 wheat. Payment was

made in cash by him, and the Export Credits Insurance Corporation has not been asked to underwrite that loan. Whether it will be asked to underwrite that loan, I do not know, because it is rather expensive to buy that kind of underwriting. But that purchase of 50,000 tons was made by the Polish government. It may very well be that later an application will be made for underwriting by the insurance company; and if it is made I am quite sure that the underwriting will be undertaken. That is the purpose of the Export Credits Insurance Corporation—to underwrite exports from Canada, where the transaction promises to be a good commercial transaction.

An attempt has been made by the Leader of the Opposition (Mr. Drew) to distort the situation by associating that transaction with another deal.

**Some hon. Members:** Oh, oh.

**Mr. Howe (Port Arthur):** Now, we have listened to the Leader of the Opposition. Perhaps you had better listen to me for a minute. The two are not related in any way. They are not arranged under the same legislation. We will be very glad to discuss the relative positions when the opportunity offers. What I am saying to the house is that, as far as the government is concerned, the position has been unchanged and will continue to be unchanged until my estimates are discussed, in this matter of the Polish transaction.

**Mr. Drew:** Mr. Speaker, on a further question of privilege, I would point out that at page 5718 of *Hansard*, when this matter was called to the attention of the Minister of Trade and Commerce, he is reported as saying this:

Mr. Speaker, the only comment that was made this morning was that the situation would be unchanged when the estimates were up for consideration.

These are the important words:

The negotiations were completed prior to today, and the announcement that was made today informs hon. gentlemen opposite but it does not change the situation.

I submit we are now entitled to know when the negotiations were completed and what the nature of those negotiations was. We are entitled to know that from the Prime Minister, who told us they were not yet completed.

**Right Hon. L. S. St. Laurent (Prime Minister):** Mr. Speaker, I do not think this is the proper time for a debate, but I am not going to allow to go unchallenged the imputation that I did not fully and frankly inform the house of what had taken place or that I said anything that could mislead the house.