

*Wheat Sales to Red China*

The second suggestion I would make to the minister in all sincerity is—forget the political sniping I had to undergo, and go to Kowloon. Talk to these men as individuals. Not only do we want them to buy from us we want to get to know them. I suggest he would benefit a great deal himself from such a meeting, and I am sure Canadians in all walks of life would recognize that we are not too proud or hostile to our trading partners to talk to them.

Further I suggest that he follow his deputy minister abroad to eastern Europe. There should be a visit paid, by the minister responsible for selling grain, to Russia, Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, Yugoslavia, and yes, East Germany too. All of these nations have need for grain of some sort, whether feed grain or bread grain. This is what the minister should do. He should not panic and tell the farmers to reduce their acreage, because there are opportunities to sell, and if the grain is sold to the Chinese, to western European nations and eastern European nations, then we are doing good not only to the farmers in western Canada but we are keeping up the prices of hogs, cattle and poultry all across the country. Every farmer in Canada will benefit and every Canadian. This has been a long statement, but I have been waiting two and a half years to make it.

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, I am sure the grain producers in western Canada will, in view of the larger than normal crop that is growing, be pleased to hear the announcement that has been made this evening. There were a number of members in this house from all parties, except the government of the day, who felt that the first deal with mainland China was perhaps a windfall sale because of a severe drought in that country. The extension of this agreement for a further three year period indicates that perhaps it was not altogether a windfall sale, and we should give some credit to the previous government for initiating action in finding this large market for Canadian wheat.

I think the terms of the agreement are essentially the same as those announced several months ago, and therefore require very little comment from me. There is perhaps one major difference, which is that there is now a firm contract for 500,000 long tons of wheat for delivery between August 1 this year and January 31, 1964. The Canadian wheat board and the minister at that time may have known of firm contracts, but I do not believe they were made known to the farmers in western Canada.

[Mr. Hamilton.]

There is one problem we can envisage with this kind of deal; that is, we get a large portion of the export of Canadian wheat tied up with one country which we all recognize is getting into difficulty with its neighbours. I remember that last fall when the dispute arose on the Chinese-Indian border there was very serious concern about what was going to happen to the Canadian wheat exports to mainland China. Even today we hear rumblings of difficulties along the border, and if this should flare up into something serious—and we all hope this will not happen—it is certainly going to put this whole agreement in jeopardy again.

I would therefore express some concern about the loss of volume to some of our traditional markets that has taken place over the last ten years. I would urge the Minister of Trade and Commerce (Mr. Sharp) to make a maximum effort toward building up these traditional markets to the volumes we exported some eight or ten years ago. I have a great many statistics that were given me in a sessional paper in reply to a question I asked. I am not going to read them all, but I will give some examples. For example, in 1952-53 we sold Great Britain 102 million bushels of wheat. By 1961-62 this had dropped to 73 million bushels. I agree there were some erratic movements of the volume for each year; but if you look at the whole period you will see there has been a steady decline in that market. The same is true of Belgium, Luxembourg, the Netherlands and some of the south American countries, particularly Brazil, which was buying substantial quantities of wheat from us ten years ago and now they are not buying any. So I think it would be of great importance for the stability of the wheat market if the Minister of Trade and Commerce and the wheat board were to increase their efforts toward improving sales to these areas, where I think the sale continuity would be a little more reliable.

In closing, Mr. Chairman, I say that we in this party welcome this announcement. We hope these sales will continue and that no difficulties will arise in the interval which will interfere with this deal. While no price is stated, I presume it will be going out at what is the international market price whenever the deliveries are made.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, it is not often that the member for the constituency in which the head office of the Canadian wheat board is located has an opportunity to say anything regarding the activities of that board. But that particular member is very happy tonight to congratulate the Canadian wheat board on the contracts and the agreements