

WHEAT PROSPECTS

In an address to the Annual Meeting of the Saskatchewan Wheat Pool in Regina on November 15, Hon. Gordon Churchill, Minister of Trade and Commerce, said in part:

"You may ask me what are the prospects for wheat sales this year. I think they are good. I think that our objective of an export volume of 300 million bushels will be achieved. If we fall short of that objective, it will be because of factors beyond our control. The most serious encroachment on our wheat markets during the last two years has been a result of the surplus disposal programme of the United States. If that programme is carried out this year with more consideration for Canada's interests, as I think it will be, we should regain our normal thirty per cent of the international trade in wheat.

"We are keeping a vigilant eye on our nearest neighbour. And it is discouraging to note that in the flour export business, heavily subsidized, they are invading some of our well established markets. For example, in Trinidad during the last six months, American flour sales have increased over last year by 21 million pounds, and Canadian flour sales have declined by about 15 million pounds. In Barbados, the United States increased its flour sales by over 4 million pounds and Canada's declined by more than 2½ million. A loss occurred of 3 million pounds in exports to British Guiana. These are examples of the competition that Canada faces with the United States.

"We raise no objection to the generous aid that the United States has been giving to various countries of the world where the need for food is great. We have objected to encroachment on our ordinary commercial markets that are so essential for our export trade.

"Numerous suggestions have been made from time to time of various methods of disposing of our surplus, and serious consideration is being given to every proposal that is made. There is a very noticeable trend towards credit transactions for wheat, and in this field we are prepared to be active if terms and security are satisfactory.

"I think we must realize that our surplus will not disappear in a short period, but even so there is no need for either panic or complacency. A vigorous sales policy maintained in our normal markets, an exploration of possible new markets, an emphasis, where needed on increased marketing facilities, cash advances when deliveries cannot be made - these are the steps that are necessary and that are being taken. I can assure you that no effort will be spared to maintain and improve our export of wheat.

"The general trade picture for Canada is not discouraging. Imports and exports are

continuing at a high level, but the imbalance of our trade with the United States requires very close attention. The most significant change in Canada's position since the war has been the increased concentration of trade with the United States at the expense of the United Kingdom and the rest of the Commonwealth. Sixty per cent of our exports go to the United States and seventy-three per cent of our imports come from that country. Our trade with the Commonwealth has declined to 20 per cent for exports and 12 per cent for imports. This situation has important implications for all Canada but to no part of our country more than to the western prairie region. Western Canada is dependent for a major portion of its well-being upon our export trade in wheat. We look abroad to the United Kingdom, Europe and Japan as our customers. But if they do not have the dollars to buy our wheat we suffer accordingly. They can get the dollars if we buy from them.

"It is with these general considerations in mind that arrangements have been made in recent talks between Canadian and United Kingdom Ministers to have a Canadian trade delegation visit the United Kingdom later this year. This mission will have as its fundamental and ultimate purpose the promotion of two-way trade between the two countries. However, since any significant increase in British purchases from Canada is dependent to such a degree upon the strengthening of Britain's external financial position, particular emphasis will be placed upon searching out new sources of supply for Canadian imports. It is not the intention to interfere with competitive purchasing of imports -- whatever source. The eventual result should, in fact, be to foster, rather than impede, more competitive purchasing. Many influences affecting Canadian purchasing in the United States -- the matter of proximity, the constant pull of advertising and styling, the subsidiary -- parent influence, the tendency to adhere to established lines of business, these and many other factors no doubt result in extensive purchases being made in the United States of goods which might be obtained more economically elsewhere. With the tremendous strides now being made in industry, the world over, it would be difficult to over-emphasize the advantages to be gained by constant watchfulness in the matter of economic sources of supply.

"As a further means of assisting the United Kingdom sales and earnings in Canada, the Government has undertaken to review all forms of Government purchasing in Canada, including that of Crown Companies, with a view to encouraging and facilitating sales by United Kingdom manufacturers of goods now imported from non-Commonwealth sources."