

Union which certainly contributed to the signing last week of a contract to sell \$330 million of wheat to that country during the coming crop year. This sale, like all wheat sales, will benefit the whole of Canada. (Shipments worth \$250 million under the current contract are now being delivered.)

Mission to China

In the case of China, the situation was somewhat different. Canada had established diplomatic relations with the People's Republic of China but trade prospects with that country were uncertain and admittedly limited -- China imports only about \$2-billion worth of goods. A mission was, therefore, set up to discuss with the Chinese authorities the trade prospects and methods of doing business and obtaining the best possible lines of communication and terms of entry.

As a result of the June-July 1971 mission, the Chinese agreed to look to Canada first as a source for wheat. This agreement has been honoured since then by two purchases, the first, in September 1971, valued at \$30 million, and another, last December, for wheat to be delivered in 1972 and valued at nearly \$200 million.

In addition, I might mention *inter alia*:

- 1) There will be a Canadian "solo" trade fair in Peking, August 21 to September 2, 1972, which will be the largest Canadian industrial exhibition ever to be held abroad. Some 250 Canadian companies have indicated an interest in participating. The Chinese will be coming to the Canadian National Exhibition in Toronto this summer with a major exhibition.
- 2) The Chinese Minister of Foreign Trade, Mr. Pai Hsiang-kuo, is expected to visit Canada this year; a Canadian minister will represent the Canadian Government at the Trade Exposition in Peking.
- 3) Both sides agreed to hold formal trade consultations each year. The first such meeting took place in Peking in December 1971, at which time the Chinese gave the Canadian side an indication of their import needs for 1972. This information has been made available to members of the Canadian business community and will serve as the basis for Canadian trade-promotional activity in the coming year (at Canton and at Peking). The Canadian delegation reviewed Canadian export capabilities in great detail for the benefit of Chinese state trading companies.

It is expected that during 1972 there will be a broadening of the range of Canadian exports to China to include manufactured and sophisticated items in addition to the continuing sales of wheat.