

Supply—Trade and Commerce

on a range of problems including proposals to achieve an expansion of world trade in agricultural products. We have customarily bought close to twice as much as we sell in our trade with Latin American countries. Last year our export sales to the area declined in the face of import restrictions, which many of these countries were forced to impose as their exchange earnings declined in a period of world recession. Now that international economic conditions are improving we look forward to the removal of these restrictions and to a substantial improvement in our trade with this important group of countries.

In the Far East, markets for Canadian goods are important for such products as wheat, coarse grains and industrial materials. In this area Japan is by far the most important trading partner. Our exports to Japan and to most of the other Far Eastern countries declined during 1958, reflecting the effects of the world recession. The outlook this year, however, is for improved business projects in Japan and elsewhere in the region.

There has been very little change in the level or distribution of Canadian trade with Middle Eastern countries despite the political changes which occurred in that region. Traditionally, Canadian crude oil imports from the Middle East result in a trade surplus for that area with Canada. Middle Eastern prosperity stemming from oil production and exports is reflected in a demand for Canadian durable consumer goods, basic foods and industrial materials. Opportunities seem to be open for Canadians to develop this market. There has not been any change in the framework of our commercial relations with Middle East or Far East countries.

The department's annual report reviewed some of the more important developments in the field of international commodity conferences and agreements during 1958. Early this year an important lead and zinc conference was held under the auspices of the United Nations in New York. On May 18 I tabled the report of this conference and indicated that there is now some prospect that world production and consumption of lead and zinc will be brought closer into balance.

It is premature to suggest that our lead and zinc industries are out of difficulties. There is presently a substantial surplus of idle production capacity in various countries. Stocks are large. However, it seems that the corner may have been turned. There is a downward trend of producers' stocks in the United States apparent from the most recent figures. It is to be hoped that these developments will encourage the United States government and

other governments similarly affected to resist pressure for increased protection for their domestic producers.

The Acting Chairman (Mr. McCleave): I regret to inform the Minister of Trade and Commerce, but his time has expired.

Mr. McIlraith: Carry on.

The Acting Chairman (Mr. McCleave): Is it the wish of the committee that he continue?

Some hon. Members: Agreed.

Mr. Churchill: Thank you, Mr. Chairman. In April Canada ratified the international sugar agreement. A number of signatory countries have yet to complete ratification formalities and the deadline has consequently been extended until October of this year.

In the international tin council there have been some favourable developments of benefit to commonwealth and other producing countries. At the request of the council the U.S.S.R. has agreed to reduce its exports of tin to western countries during 1959. Russian exports have been depressing world market prices and this new development will have a stabilizing effect.

At its meeting in February the council was able to increase export quotas permitted under the agreement to producing countries. Canada and other countries participating in the agreement have removed import controls on tin imposed in 1958, also as a result of the understanding reached with the U.S.S.R.

Another important development in the international commodity field was the successful negotiation of a new wheat agreement which will run from August 1 of this year until July 31, 1962. There is now a resolution on the order paper for ratification of the new agreement and I expect to give the house a detailed statement when this item is called. For the present I will only point out that the new agreement has the full support of all farm organizations in western Canada and has been signed by all the nine exporting countries and by 26 importing countries. Under the new arrangements a larger proportion of the world trade in wheat will come under the agreement and new administrative facilities will be established for intergovernmental consultation on wheat production and marketing policies.

The administration of Canada's foreign aid programs is the responsibility of the department's economic and technical assistance branch, formerly the international economic and technical co-operation branch.

During the first six months of this year foreign aid programs have been expanded. Colombo plan funds have been increased from \$35 million to \$50 million and are