

*Wheat Sales to Red China*

board has undertaken to make such supplies available to the Chinese trading corporation concerned with specific quantities, prices and shipping periods to be negotiated periodically.

The terms of payment for sales under the long term agreement are 25 per cent cash when each vessel is loaded and the balance of 75 per cent in 18 months with interest. The deferred payment provision is made possible by a guarantee to the Canadian wheat board by the government of Canada, similar to the guarantee that was given on the occasion of the previous agreement. The first sales contract under the long term agreement has been negotiated and provides for the export to China of 500,000 long tons of wheat from Pacific coast ports during the period August 1, 1963 to January 31, 1964. I am sure all hon. members will agree that this is a worth while and important step in what I hope will be a substantial and continuing market for Canadian wheat in mainland China.

We have now in prospect sales of at least three million long tons of wheat to the China National Cereals, Oils and Foodstuffs Import and Export Corporation over the next three years subject only to price negotiations respecting individual contract under the long term agreement. In order to promote mutually advantageous trade the Chinese State Trading Corporation will, of course, seek to maintain and develop their market in Canada for various items. It is in our mutual interest to provide them with an opportunity to do so, subject to appropriate safeguards to avoid market disruption and damage to Canadian producers. In this connection, the Chinese State Trading Corporation have undertaken to limit their exports of sensitive items, including textiles, to Canada.

The signing of the first contract under the agreement in an amount of 500,000 tons for delivery in the last half of the year is a clear indication of the intention of the China national cereals corporation to make this a workable agreement to the mutual benefit of both parties. The successful conclusion of the agreement and the initial contract is a step towards meeting the desire of our major farm organizations to concentrate efforts on moving as much grain as possible into export markets as a means of dealing with the problem of supply and demand. Let me assure those organizations and members of the house that the efforts of the Canadian wheat board and the government to expand wheat sales generally will not cease with the conclusion of this agreement with the China national cereals corporation.

Before sitting down, Mr. Speaker, may I also offer my hearty congratulations to the chief commissioner of the Canadian wheat

[Mr. Sharp.]

board who on this occasion, as on previous occasions, has done such a good piece of negotiating.

**Hon. Alvin Hamilton (Qu'Appelle):** Mr. Speaker, I had expected to hear this announcement at six o'clock but due to circumstances it was not made then, and I had an opportunity to have a preview of it before the minister spoke. I am, therefore, reasonably better prepared than I would have been had the announcement been made at six o'clock.

My first observation is this: Surely, no announcement could be made in this house that more clearly vindicates the position of the previous government and of myself personally with regard to sales to communist China. I think now the minister must be aware, even if some of his colleagues are not, of the reasons I went to Kowloon at the end of April, 1961. He is now reaping the rewards of the foundation that was laid during my visit to that city in April, 1961. If hon. gentlemen opposite had wanted to be fair and reasonable, they would have noticed when I came back from Kowloon that I said very clearly I went over there for three reasons: First, to establish how they were going to pay for the wheat; second, to lay the foundations for an extension of the long-term agreement beyond 1963—it is all on the public record—and third, to see what I could do to find ways and means to establish trading relations that would be harmonious and helpful to us both.

This agreement is very sweet reading to me tonight. I am going to promise the minister that under no circumstances from me—and I hope not from any other member of the Conservative party—will he ever have to face up to what I had to face up to in the period that I was minister of agriculture in charge of the Canadian wheat board.

I give it to you in the words of your own Prime Minister, who in this house said this deal was a windfall in 1961 and would never happen again. He said it was a case of cash to our friends, and credit to those we did not recognize diplomatically. Another man who is now out of the house, the former member for Assiniboia, who became the policy maker for the Liberal party on agriculture stood up and said the whole deal was a hoax, a fraud and a myth. He is the only one who has become a myth. Even one of the present Liberal members of the house, who is not in his place now, stood up and inferred that this deal with China was treason to our country. This is the kind of thing I had to take.

Then we had a free lance newspaperman by the name of Jack MacBeth who wrote a series of scurrilous articles that would do