

Income Tax Act

surplus disposal of wheat is being considered. This to our mind is a great gain, and we are thankful to the United States authorities for the attitude they are taking. Consequently I think we should modify our criticism of United States surplus disposal programs.

The surplus disposal programs of the United States, in many instances, have been directed to very worthy causes. Some of these disposal programs are aimed at the increased use of wheat flour by peoples in the world who have not heretofore been consumers of that type of food. As that program advances the prospects, then, for exporting nations such as the United States and ourselves are increased. We must also recognize the fact that we ourselves are engaged in the surplus disposal of wheat, and have been playing our part in providing wheat on long term loans or on a gift basis to India, Pakistan, Ceylon and the Palestinian refugees, and we intend to continue that program.

In so far as the surplus disposal program does not interfere with normal commercial marketings of wheat, we cannot have much objection. The United States, all credit to them, have not been interfering recently with our normal, commercial sales of wheat to the United Kingdom, countries of Europe, and Japan. With assurance along that line, we cannot object to their providing wheat flour to countries that are really in need of food.

The hon. member for Assiniboia quite properly paid tribute to the stabilizing influence of the Canadian wheat board. He mentioned the fact that Canada was now the second greatest exporter of wheat. We actually are first in the field when it comes to commercial sales of wheat abroad. The United States has emerged as the largest exporter of wheat, but is still second to us on commercial sales. Our commercial sales abroad run to an average of 262 million bushels a year to their 160 million bushels a year. The excess which they export over our export figure of about 300 million bushels is made up by these programs for surplus disposal and gifts to needy countries. The activity of the Canadian wheat board in stabilizing the price of wheat throughout the world is recognized, and I am glad the hon. member for Assiniboia drew attention to that fact.

He made suggestions with regard to the barter of our wheat for goods from other countries. We recognize that this has been done by some countries, but we are not a state trader and it is difficult to barter products of this country for products from some other country unless we enter the field of state trading. This would apply also to his suggestion about long term contracts to purchase goods from Poland or from the U.S.S.R. in exchange for purchases

they make from us. There again state trading would have to be entered into if that were to be done.

May I conclude, Mr. Speaker, with this. As I have said on occasions, Canada's position in the international wheat field would not be as important as it is today, and cannot be maintained in the future, unless the quality and standard of Canadian wheat is maintained. Fortunately for us our country produces a hard, good grade milling wheat of high protein value which is a premium wheat in the world market and is desired by millers in countries abroad. My consultations with the importers of wheat in the United Kingdom and Europe, and my talks with Japanese millers who have visited this country, confirm our conclusion that Canadian wheat is a premium wheat, superior in quality to the soft wheats which are grown in most other countries of the world. A market for Canadian wheat should be maintained without any diminution of our sales abroad if that quality is maintained.

The emphasis, then, in Canada should be on maintaining quality. It is because of this that a person can take a reasonably optimistic view of the future, and can assure the Canadian farmer that there is a market abroad for Canadian wheat. That market abroad is being maintained by close personal relations between the Canadian wheat board and the countries abroad; by government activity and consultation with the governments of other countries who are importers of our wheat, and by our participation in the international wheat agreement and various international conferences where these matters are discussed. The outlook for the future is not too gloomy, not too difficult. We have to maintain a realistic approach; and a little trace of optimism in that, I think, is all to the good.

Motion agreed to.

INCOME TAX ACT

**MOTION FOR CONCURRENCE IN SENATE
AMENDMENTS**

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of and concurrence in amendments made by the Senate to Bill No. C-48, to amend the Income Tax Act.

He said: As recorded in the *Votes and Proceedings* of the house for June 18, at page 579, a message was received that day from the Senate informing this house that the Senate had passed Bill No. C-48, an act to amend the Income Tax Act, with the following amendments:

1. Page 11, line 16:—After "or" insert "charter-party".
2. Page 11:—Strike out clause 19.