

### NEW WHEAT AGREEMENT WITH CHINA

The following is the text of a statement made in the House of Commons on August 2 by Mr. Mitchell Sharp, the Minister of Trade and Commerce:

I am pleased to advise the House that the Canadian Wheat Board will be making the following announcement today regarding a new long-term wheat agreement with the China National Cereals, Oils and Foodstuffs Import and Export Corporation:

The Canadian Wheat Board is pleased to announce the conclusion of a Long-Term Agreement with the China National Cereals, Oils and Foodstuffs Import and Export Corporation. This Agreement is similar in form to the agreement signed on April 22, 1961; that is, under the Agreement, the Chinese Corporation has declared its intention to purchase from Canada 3 to 5 million long tons (112.0 to 186.7 million bushels) of wheat over a three-year period, August 1, 1963, to July 31, 1966. The Canadian Wheat Board has undertaken to make such supplies available to the Chinese 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.

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 consider this to be a worthwhile and important step in what I hope will be a substantial and continuing market for Canadian wheat.

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 contracts under the Long-Term Agreement.

#### A MATTER OF MUTUAL INTEREST

In order to promote mutually advantageous trade, the Chinese state-trading corporations 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 corporations 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.

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### FEDERAL FINANCIAL STATEMENT

Mr. Walter L. Gordon, the Minister of Finance, released on July 26 the regular monthly statement of the Government's financial operations for June 1963, and the first three months of the current fiscal year.

For June, budgetary revenues were \$453.1 million, expenditures were \$525.3 million, and there was a deficit of \$72.2 million. For June 1962, revenues were \$446.4 million, expenditures were \$519.1 million, and there was a deficit of \$72.7 million.

For the first three months of the current fiscal year, budgetary revenues were \$1,393.5 million, expenditures were \$1,374.4 million, and there was a surplus of \$19.1 million. For the same period last year, revenues were \$1,371.2 million, expenditures were \$1,349.2 million, and there was a surplus of \$22.0 million.

Operations of the old-age security fund, which are not included in budgetary transactions, resulted in a deficit of \$9.4 million for June 1962 and an

accumulated surplus of \$6.0 million for the three months to June 30, 1963. Last year, the deficit of \$11.8 million for June 1962 was charged against the accumulated surplus of \$11.8 million as at May 31, 1962.

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### CIVIL AVIATION

The number of revenue passengers flown into and out of Canada by Canadian and foreign air carriers was virtually unchanged in May this year compared to last, while the volume of revenue cargo and excess baggage carried increased by 11.8 per cent and mail by 7.1 per cent, according to advance figures that will be contained in the May issue of the Dominion Bureau of Statistics report "Civil Aviation". Canadian carriers transported 114,824 passengers in the month versus 70,849 by foreign airlines; 2,646,577 pounds of cargo and excess baggage versus 1,812,587; and 375,637 pounds of mail versus 254,169.