

Supply—Trade and Commerce

assisted by the improvement in the protein quality of the wheat crop harvested in the prairie provinces in 1957.

We appreciated that in the early months of the crop year the bumper European harvest would reduce wheat imports into that area as compared with the previous year. However, during this difficult period we maintained a satisfactory level of wheat exports, and by December had moved slightly ahead of the level of exports for the same period in the previous crop year, and since that time we have increased our lead. As at July 9, 1958 our exports of wheat and flour amounted to 297.6 million bushels as compared with 246.7 million bushels during the same period in the previous year. It is now obvious that we will reach and exceed our export target of 300 million bushels.

Our sales this year included wheat for Australia, the U.S.S.R. and China. There are countries in the commonwealth which from time to time need wheat or flour and which for reasons of finance cannot obtain on a strictly commercial basis the quantities they require. At the request of India and Pakistan, Colombo plan funds for the year 1957 were made available for the purchase of Canadian wheat—in the case of India, \$7 million; in the case of Pakistan, \$2 million, and for Ceylon \$1 million.

The application of these funds provided for the shipment of about 6.1 million bushels of wheat or flour this year. This was a start. The government then offered to make available to Colombo plan countries \$35 million in the form of a long-term loan to finance the purchase of Canadian wheat. India looked with favour upon this plan and contracted with the Canadian government for a loan of \$25 million for the purchase of Canadian wheat. This loan will be repaid in seven equal annual instalments commencing March, 1961 and bears interest at the rate of $4\frac{1}{4}$ per cent; the interest is payable annually commencing on March 31, 1959. From the proceeds of this loan India has acquired or will acquire nearly 15 million bushels of Canadian wheat during the present crop year.

These developments were important in themselves but the government went a step further; it made available \$15 million to finance gifts of wheat and flour to India, Pakistan and Ceylon. This gift was in recognition of the urgent need for foodstuffs in these countries, and from these funds India, Pakistan and Ceylon will receive about 10 million bushels of wheat and flour during the present crop year. We also made available \$1.5 million to the United Nations relief and works agency in the Near East whereby this agency might purchase a quantity of Canadian flour for Arab relief.

[Mr. Churchill.]

Mr. Pearson: Would the minister permit a question? Is the \$15 million which he just mentioned to be taken out of the Colombo plan funds or is it in addition to the appropriation for the Colombo plan?

Mr. Churchill: I am glad the hon. member raised this question. It is in addition to the normal allotment for the development program under the Colombo plan.

Mr. Pearson: It is in addition to the appropriation made for the Colombo plan?

Mr. Churchill: That is right. There is a \$35 million loan under the Colombo plan and \$15 million as an outright gift.

Mr. Pearson: In addition to the \$35 million?

Mr. Churchill: In addition to the \$35 million for normal Colombo plan operations.

The government has accomplished other things of importance in the field of wheat marketing. At the last session of parliament the Export Credits Insurance Act was amended to increase the limit under this legislation from \$100 million to \$200 million. At the same time a reduction was effected in the cost of financing wheat the sale of which was insured under the Export Credits Insurance Act. The government has been ready at all times to utilize the facilities of this legislation in effecting wheat sales on insured credits up to a period of three years.

Before leaving the export side of the wheat situation I would like to say a few words about port activities during the present crop year in the handling of grain. The Pacific seaboard is having a very good year. From August 1 to July 9 shipments of wheat and other grains from Pacific coast ports amounted to 163 million bushels, compared with 132 million bushels during the same period in the previous year.

The port of Churchill in northern Manitoba had a good season in 1957. In the comparatively short shipping season out of Churchill a total of 46 cargoes of wheat were loaded. The bushelage shipped through Churchill was 16.7 million bushels, a new record for the port. The outlook for the 1958 shipping season at Churchill is just as good.

In the first half of the crop year Pacific coast ports and Churchill received a relatively high percentage of export shipments of grain. The movement through St. Lawrence ports last fall was substantially lower than in the previous year. However, the situation as far as St. Lawrence ports are concerned improved with the opening of navigation this spring, and the St. Lawrence movement is now slightly ahead of last year. Our Atlantic seaboard ports have had an active year, and our shipments to the United