

CANADA-CHINA WHEAT DEAL

The Canadian Wheat Board recently announced the conclusion of a long-term agreement with the China National Cereals, Oils and Foodstuffs Import and Export Corporation. This agreement is similar to the existing one that is, under its terms, the Chinese agency has declared its intention of purchasing from Canada 3 to 5 million long tons (112.0 to 186.7 million bushels) of wheat over a three-year period, from August 1, 1966, to July 31, 1969. The Canadian Wheat Board has undertaken to make such supplies available with specific quantities, prices and shipping periods to be negotiated periodically.

The Chinese corporation and the Canadian Wheat Board further agreed that, before May 1, 1966, consideration will be given to increasing the quantities involved in the new three-year agreement to a minimum of 4.5 and a maximum of 7.5 million tons (168 to 280 million bushels) or, alternatively, extending the three-year agreement to five years, involving a maximum quantity of 7.5 million and a maximum of 12.5 million tons (280 to 466 million bushels)....

STATEMENT BY MR. SHARP

Mr. Mitchell Sharp, Minister of Trade and Commerce, made the following statement in Winnipeg on October 28:

"...I am delighted about this massive wheat agreement and would like to extend my heartiest congratulations to the Canadian Wheat Board. The Board deserve the highest praise for the successful effort they have made to develop the Chinese market. The total value of wheat shipments under this agreement will range from \$200 million over a period of three years to a possible upper limit of \$900 million over a period of five years. Based on past experience, I am confident that the quantities purchased will be closer to the maximum figure. On this basis, this would be the largest single wheat agreement ever concluded by the Canadian Wheat Board. Not only prairie wheat producers but all Canadians will benefit from the income received from these sales.

"The agreement provides for credit terms of 25 percent cash and 75 percent in 18 months, which are identical to those in the previous agreement. A revolving credit level of over \$200 million was required to facilitate this agreement and the Government was pleased to provide the necessary credit guarantee that makes this business possible.

"The Chinese Corporation discussed with me their efforts to maintain and develop their market in Canada for various items. It is, of course, 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 agreed to continue to limit their annual exports to Canada of sensitive items. The overall limitation in the new agreement has been increased from \$7 million in each year to \$10 million a year. Canadian producers of sensitive items are protected by individual quota limitations; these are to be determined later by agreement between the two parties."

CO-OPERATION IN EDUCATION

The following statement was made recently by Prime Minister Pearson in reply to proposals on the subject of higher education that had been submitted by representatives of the Association of Universities and Colleges of Canada:

The Federal Government welcomes the views of the Association of Universities and Colleges of Canada, based on the inquiry into financing higher education in Canada conducted for the Association by the Bladen Commission.

My colleagues and I accept the view that the number of students in Canadian universities is likely to rise at the rapid rate projected in the Bladen report. In the 1964-65 academic year the total enrolment was 178,000. The projection would put it at 340,000 in 1970-71 and 461,000 in 1975-76.

That is to say, in six years the universities would nearly double the number of their students, and there would be a continuing large increase afterwards. Without this growth, we shall not have the kind of Canada we all want, a progressive and prosperous nation providing ample opportunities for a good life for all its citizens.

INCREASE IN SUBSIDIES TO UNIVERSITIES

These goals require a very large increase in the resources available to the universities for staff and for facilities. The Bladen report estimates that the total government expenditures required, for universities and student aid, will rise from \$355 million in 1964-65 to \$1,112 million in 1970-71 and \$1,704 million in 1975-76.

The Federal Government recognizes these as realistic estimates. The expenditures are large but the Federal Government agrees with the Bladen Commission that an expanding country can afford them and, indeed, that they are an investment that will yield good returns in the progress of our economy.

The Association of Universities and Colleges of Canada recognizes that, under our constitution, the responsibility for providing higher education is that of the provinces.

But, as the needs increase, it is more and more difficult for all provinces to meet them in ways that are within their financial capacity. In order that the opportunities for higher education should be adequately improved for all Canadians, in all parts of the country, federal financing must be brought to the assistance of the provinces.

My Government has already accepted this federal responsibility.

The recommendations of the Association of Universities and Colleges of Canada are, therefore, made to the Federal Government as well as to the provinces. The response required must be a joint response of the provincial and federal governments.

FEDERAL-PROVINCIAL CONFERENCE

I shall, therefore, propose to the provinces that, in the very near future, we hold a special federal-provincial conference to consider the universities' proposals. Our response to the proposals directed

(Continued on P. 4)