

*Supply—Trade and Commerce*

field. The Canadian government has attached such importance to this question that it was raised at the recent meetings with President Eisenhower and Mr. Dulles, and we expect to have continuing consultation with the United States authorities on these matters. We will continue to encourage Canadian businessmen to do business with China provided, of course, that the commodities in question are of a non-strategic nature. It is our objective to ensure that Canadian firms, regardless of ownership, be placed in a position to handle these export inquiries on a purely commercial basis.

To a large extent export control problems with China come down to reaching an agreed definition with the United States government and the governments of other free countries—

**The Chairman:** Order. I regret to interrupt the hon. member, but I must inform him that his time has expired.

**Some hon. Members:** Go ahead.

**The Chairman:** Is it the pleasure of the house to permit the hon. member to continue?

**Mr. Pickersgill:** Go ahead.

**Some hon. Members:** Agreed.

**The Chairman:** The hon. member may continue.

**Mr. Churchill:** As I was saying, to a large extent the export control problems with China come down to reaching an agreed definition with the United States government and the governments of other free countries as to what is strategic and what is non-strategic. These problems have arisen before in respect of our trade with iron curtain countries, and we have been able to work out satisfactory solutions with our allies. I expect that our exporters will take a renewed interest in the China market in the months ahead. There will undoubtedly be more visits to China, and we look forward to building up our trade there substantially.

At this stage, Mr. Chairman, I should like to deal with two specific aspects of our external trade, namely fisheries and wheat. Exports of fishery products last year were valued at \$132.5 million, a figure which was very close to the record \$133.7 million attained in 1956. Fishery exports during the first five months of this year were up 10 per cent over the corresponding period of 1957, and it would appear that the over-all market outlook for the remainder of the year is fairly promising.

Demand for fresh and frozen fish in Canada and the United States remains strong. The United Kingdom, which is our most important export market for canned salmon, has

recently allocated £4.5 million for imports from the dollar area. This is an increase of £1 million over last year. Prospects for exports of canned sardines are also encouraging.

Some problems have been encountered in the salt fish trade recently, principally because of continuing controls in several of our important markets. Puerto Rico and Jamaica are still maintaining retail ceiling prices, and in Brazil a currency auction system tends to favour imports from soft currency sources. These restrictions are a matter of serious concern to the government, and we are continuing our efforts to have them removed. In the case of Brazil the currency auction system is being considered under the auspices of GATT.

Last November Icelandic exporters were able to offer lower prices than Canada, and were successful in securing the Jamaican tender for salt cod for the period July to December, 1958. I am informed, however, that if our prices become competitive with those offered by Iceland we have every possibility of selling again in the Jamaican market. Recently my colleague the Minister of Fisheries and I met with delegations from Newfoundland and Nova Scotia and had full discussions concerning the marketing of salt cod. The various briefs which were submitted are now under careful study, and I am hopeful that satisfactory solutions to our marketing problems can be worked out in the very near future.

I now come to the subject of wheat, which is one of the major responsibilities of the Minister of Trade and Commerce. The crop year 1956-57 was a disappointing year from the standpoint of the movement of wheat. The export movement of wheat amounted to 262 million bushels as compared with 309 million bushels in 1955-56. At July 31, 1957, stocks of grain in country and terminal elevators were 536 million bushels, an increase of some 44 million bushels over the same date of the previous crop year. In fact elevators were full to capacity. There was an estimated surplus in Canada of 732 million bushels, with a new crop coming in.

Under the circumstances the government had to formulate a very broad approach to the grain marketing problem. From the standpoint of producers, and the country as a whole, efforts had to be made to speed up the movement of wheat. Because of the increased wheat production in Europe it was obvious that world trade in wheat in 1957-58 would be considerably smaller than in the previous crop year. Therefore the task to which the government and the Canadian wheat board applied themselves was the securing for Canada of a larger share of a smaller world market for wheat. We were