

AID TO COLOMBO PLAN COUNTRIES

Trade and Commerce Minister Gordon Churchill announced in the House of Commons January 8 that an agreement has been reached between the Canadian Wheat Board and the Indian Government for the supply of a quantity of 400,000 tons of wheat, approximately 15 million bushels, to be shipped during the winter and early spring months. This agreement is subject to the conclusion of financial arrangements between the two governments which will provide, in brief, that payment will be made in seven equal annual instalments beginning three years after shipment. Interest is payable annually at a rate equal to the borrowing cost to the Canadian Government plus a small charge for overhead. This rate is not likely to exceed 4-1/2 per cent.

Referring to these terms, the Minister said, in part:

"... They are not terms that could be offered in ordinary commercial markets without the danger of turning cash sales into long-term credit sales. They can only be justified as part of Canada's effort to consolidate the very real gains that are being made in India, Pakistan and Ceylon and other Colombo Plan countries, to prevent the serious setback which could result from the need to import and pay immediately for large scale imports of foods."

The Minister's statement continued as follows:

"When the Government of Pakistan was informed of these discussions with India they asked if wheat would be available to them on the same terms, and we assured them that the same terms would be available to all countries in receipt of assistance under the Colombo Plan. Pakistan also requested that part of next year's Colombo Plan appropriation be used for wheat. Because of prior commitments with respect to continuing projects this would have been difficult. But, as I shall indicate shortly, the Government is proposing an increase which will be of assistance to Pakistan."

"We have reason to believe that India will

require additional quantities of wheat, over and above 400,000 tons, from Canada during the coming months. Some of this they may be prepared to buy on terms similar to those I have outlined. Pakistan and Ceylon and other countries within the Colombo Plan may also make similar requests in due course.

"The Government is confident that Parliament will support the provision of wheat and flour to Colombo Plan countries on the terms I have outlined. We are also confident that at this difficult time in the affairs of our friends in South and South-East Asia, Parliament and the people of Canada would wish to see an increase in the amount of aid in the form of outright grants that is being made available to them.

"When the Minister of Finance brings down further supplementary estimates later this month Parliament will be asked to vote approximately \$30 or \$35 million to be loaned to Colombo Plan countries for the purchase of Canadian wheat and flour, and an additional \$15 million as an outright grant for the same purpose. We have in mind that a part of the \$15 million grant will be used to meet an urgent request for assistance by the Government of Ceylon arising from the very serious floods that have caused such devastation in that country.

"Canada has assumed responsibility to assist in the development of the countries of South and South-East Asia through the Colombo Plan. This development is threatened by grave shortages of food. It is fortunate that our abundance coincides with their need and that we are in a position to play some further part in keeping this great effort of the free world moving ahead.

"I am making this statement now so that plans for the movement of the wheat can proceed with a minimum of delay, and so that hon. members will be aware of this important development in Government policy before they are asked to consider the relevant items in the estimates."

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TRADE FAIRS IN WEST INDIES

Trade and Commerce Minister Gordon Churchill has announced that his department is canvassing Canadian firms to ascertain the support that private business would give to Government proposals to hold two Canadian trade fairs at Port-of-Spain, Trinidad and in Kingston, Jamaica, early in 1959. Planning for the fairs requires that the overall costs be shared between the private exhibitors and the Government.

The two fairs, regarded as one single project, would apply trade promotion techniques through trade exhibits in two traditional ex-

port markets in which no annual international trade fairs take place. Besides providing an opportunity for Canadian exporters to exhibit their goods in Trinidad and Jamaica, it is expected that the fairs will attract Canadian service organizations and other institutions who will want to participate in order to tell the story of their West Indian operations to the business community and the public of the Islands. It is further hoped that the fairs will increase the interest of West Indian producers in the Canadian market and thus help to bring about a larger exchange of goods between the two areas.

Early in 1959 is considered an ideal time