

Sale of Wheat

required to allow a deductible exemption of \$2,000 in all cases where the property is valued at more than \$15,000.

By the terms of the convention Canada will make two other changes of substance affecting the normal operation of the Estate Tax Act. The first is that Canada, in giving a credit for United States taxes on property situated therein, will give a credit for the United States federal tax before this tax is itself reduced by credits allowed in respect of taxes levied by the state governments. The United States will similarly give a credit for the Canadian federal estate tax before this tax is reduced by abatements in respect of provincial succession duties. This provision has much the same result as allowing a credit for the provincial or state taxes of the other country. The new provision will make Canadian practice reciprocal with long-standing United States practice and will benefit estates of certain Canadian domiciliaries by increasing the amount of credits given.

The second of these changes is that where Canada allows a deduction for a bequest to a charitable organization in Canada, as it now does under the Estate Tax Act, it will also allow a deduction for a bequest to any charitable organization in the United States that would have qualified according to the Canadian definition of a charitable organization, if it had been in Canada. An example would be a university, Mr. Speaker. The provision affecting this amendment is reciprocal and again will bring Canadian practice into conformity with long-standing United States practice. It will also be beneficial to the estates of Canadian domiciliaries where such a bequest exists.

The convention will come into force when it receives legislative approval and is ratified by the governments of the two countries. When the convention comes into force it will be retroactive to January 1, 1959, so as to provide continuity with the existing convention. Consequently benefits resulting from its terms will apply to the estates of persons dying on or after that date. A bill to implement the convention will be introduced in the house in due course.

TRADE**WHEAT—ANNOUNCEMENT OF PURCHASE
BY CZECHOSLOVAKIA**

Hon. Alvin Hamilton (Minister of Agriculture): I am pleased to announce that the Canadian wheat board has concluded an agreement with KOOSPOL, the Czechoslovakian purchasing agency for foodstuffs, for the purchase of approximately 200,000 metric tons of Canadian wheat or approximately

[Mr. Fleming (Eglington).]

7.3 million bushels of No. 2 and No. 3 wheat, with a small amount of Durum. The wheat is to be shipped from St. Lawrence ports following the opening of navigation. The wheat will be purchased on a credit basis and, by agreement between the governments of Czechoslovakia and Canada, export credits insurance has been provided in order to facilitate this sale. The terms of payment are 10 per cent cash at date of shipment; 30 per cent payable one year from date of shipment; 30 per cent payable two years from date of shipment; 30 per cent payable three years from date of shipment. The Canadian grain trade, acting as agents of the Canadian wheat board, will negotiate individual contracts with the official purchasing agency of the Czechoslovakian government.

Hon. Paul Martin (Essex East): Mr. Speaker, the house will welcome this announcement, as it did the announcement the other day of the proposed sale of wheat to China. The minister has given us some details as to the method of payment, but it may be that he will expand on this on some other occasion or perhaps on orders of the day. In any event, this welcome news will assist the farmer who needs assistance at this time in Canada.

Mr. Hazen Argue (Assiniboia): The Minister of Agriculture seems to be developing the habit in connection with his announcements of extra Canadian wheat sales, to make them when they involve countries that might not, under present conditions, be expected to buy their supplies from the United States. These sales are welcome. I may say that over the years I have had some part to play myself—

Some hon. Members: Oh, oh.

Mr. Argue: Hon. members can laugh if they like—in assisting in the conclusion of sales to such countries.

An hon. Member: How many bushels?

Mr. Argue: The record is quite clear and I could spell it out if hon. members would give me the opportunity, Mr. Speaker.

Mr. Speaker: Order. I am not sure what was the cause of the reaction, but perhaps hon. members will allow the member for Assiniboia to finish his comments.

Mr. Argue: I was about to go on to say that I hope any future announcements the government makes will demonstrate that the government is being just as successful in holding or increasing our sales to our normal or regular markets.

The fact that this wheat will be shipped through the St. Lawrence ports is welcome