

Let us first get the facts in perspective. Our total exports to Japan have increased rapidly, but they are still far below the total of 1929. The recent increase in that trade is part of the general improvement in exports as a result of the industrial revival of recent years. Our exports to all countries are much nearer the high water mark than our exports to Japan:

	Canadian exports to Japan	Canadian exports to all countries
1929.. . . .	\$37,504,692	\$1,182,412,313
1932.. . . .	11,995,887	493,808,841
1935.. . . .	14,915,577	729,293,800
1937.. . . .	25,851,829	1,110,192,151

In our exports, as in our production, and in fact in the revival of prosperity and stability in Canada, minerals have come to hold a relatively greater place in recent years as the result of new discoveries mainly in the pre-Cambrian shield. We are now among the world's important producers and exporters of gold, silver, platinum, copper, lead and zinc, as we long were of nickel. In many cases, as is generally known, these are joint products, lead or copper or zinc being found in the same veins with silver or gold, and recovered in the same operations.

So far as our exports of lead, zinc, aluminum, copper and nickel are concerned, there is nothing special in our shipments to Japan. Of nickel in the last two years we exported ninety-eight millions in all, of which only five millions were to Japan; of aluminum twenty-five millions, of which five million were to Japan; of lead, twenty-one millions, of which seven were to Japan; zinc, twenty-two, of which two were to Japan; of copper, over ninety-one millions, of which less than one million was to Japan. Incidentally, over 75 per cent of all these exports went to the British empire and the United States, (less than 10 per cent to Japan, Italy, and Germany, and the balance to other foreign countries). It is true we are the largest exporters of nickel to Japan as to most other countries, and important suppliers of aluminum and zinc. But it also is true that of iron and steel and scrap, and of copper, we supply only an insignificant fraction. (One single country's exports of iron and steel and scrap alone are three times in value our total exports of all goods whatever to Japan). It is also true that of the oil, coal, cotton and rubber which are equally necessary for mechanical operations, whether in war or in peace, we supply nothing whatever, nor of the wool necessary to clothe the armies in the field.

Some misconception exists regarding certain figures given out at Brussels by the Chinese delegation to the conference, showing the

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percentage of certain materials—oil, coal, cotton, rubber, wool, iron, aluminum, antimony, manganese, tungsten, chrome, copper, zinc, tin, etc., exported in 1936 to Japan, with the object of showing that an embargo on exports would be effective if imposed by all parts of the British commonwealth, the United States, France, Holland and a few other countries. Canada was said to have supplied 71.7 per cent of Japan's imports of aluminum, 97 per cent of the copper and 34.5 per cent of the zinc. It may be pointed out first that the figures referred to 1936, a period of peace; that only three items were listed affecting Canada, and that as regards copper, the statistics were highly erroneous, the percentage from Canada being one-half of one per cent instead of 97 per cent. These misconceptions formed the basis of much of the demand for a Canadian embargo on raw materials.

Having noted the facts in some perspective, the implications that are drawn may next be considered. In the first place, it is erroneous to assume that metals such as lead, zinc and nickel are used only for armament purposes; quite the contrary is the case; the vast bulk of these three metals is used for industrial purposes, though it is of course true that when a country is at war, the industrial uses will be rationed and restricted. In any case, an embargo would be economically futile. It must be evident to anyone familiar with foreign trade that no system of administrative control which we could devise in peace time could hope to prevent Canadian nickel, lead, zinc, copper, aluminum, scrap-iron, and the rest, sold to purchasers in third countries, from reaching Japan. Once these commodities leave Canadian territory and enter into the commerce of another country, this parliament has not and cannot have any further control over them.

It is equally evident that, except in the case of nickel, of which Canada produces about 90 per cent of the world's annual production, this country has no monopoly, nor even an approach to a monopoly of production. There are, with respect to all these commodities, including nickel, other producing countries, alternative sources of supply, to which Japan, or any nation desiring to place an order, could easily turn. In addition to other sources of production, there are—and this aspect of the question is frequently overlooked—enormous stocks of all these metals readily available, stocks far more than sufficient to fill any possible Japanese demand. It is clear, therefore, that an embargo on the export to Japan of nickel, lead, copper, zinc, aluminum, and other commodities neces-