

Supply—Trade and Commerce

Cuts in imports announced by Australia are expected to total between 400 and 500 million pounds sterling and will directly affect Canadian exports to that market which totalled \$49.1 million in 1951.

New Zealand, to whom Canada exported goods to the value of \$21.8 million last year, has announced the cancellation of all licences for dollar imports and that new applications will be carefully scrutinized.

South Africa—Canadian exports to South Africa in 1951 were valued at \$52.7 million, showing an increase of \$10 million over the previous year. The announcement recently that imports will be confined to one-third of the consumer goods imported last year will seriously affect this Canadian export trade outlet.

Our total exports to commonwealth countries—excluding gold—which last year amounted to \$872 million as against \$655.1 million in 1950, are now seriously threatened.

Import cuts have been announced by all these 64 countries with the four exceptions mentioned above. This action is not specifically aimed at Canada, although as a dollar country our export markets will suffer materially in the year ahead. The action was taken as a first aid device by these countries as they tackle the money problems with which they are now confronted.

Canada by her contributions to post-war financing Britain gambled heavily on the future of sterling. We still need that sterling market which accounts for about 50 per cent of the world's trade. Rather than leave the Canadian economy vulnerable to economic fluctuations or political tariffs in the United States, or allow ourselves to drift into the position of having only the United States bidding for Canadian products, this country should initiate action now to set up the machinery for a complete study of commonwealth trade possibilities, within the confines of our international obligations under existing trade arrangements.

With regard to primary products, particularly agricultural products, export markets are essential as a means of disposing of surpluses, which, no matter how small they may be in relation to total production, allowed to remain unsold depress prices out of all reasonable proportions. As evidence of the recognized seriousness of undisposable surplus production we have by legislation provided for floor prices under agricultural products. Even this, however, is not a satisfactory substitute for export markets, for the floor price set is usually at a level where the government hopes it will have as little of the product as possible left on its hands.

[Mr. Charlton.]

Canada is a member of the commonwealth just the same as Britain, Australia, New Zealand, South Africa, or any other country within that association of nations.

We have every right to sit down with these countries now in an effort to devise means whereby we can work out our mutual salvation in matters of trade.

The present policy of drift now followed by the present government is wholly inadequate to meet present challenges. We have paid dearly for this policy in the past and action should be taken now before this whole trade situation explodes in our face.

The record of this government is strewn with incidents where action recognized as necessary was delayed until the situation became so bad that public reaction forced resolute action. This happened in the case of:

(1) Outbreak of foot-and-mouth disease in western Canada;

(2) Sale of illegal passports by officials of the department of immigration. This was first mentioned publicly over a year ago when the minister promised to look into it. Action was not taken until a few months ago, and even yet the extent of this bribery has not been disclosed.

This pattern of drift is clearly evident in regard to trade. We are losing our export markets to such a degree that even the Minister of Finance (Mr. Abbott) frankly admitted it when he said on February 1 last, as published in the *Toronto Star* of February 2, that Canada's foreign markets have now shrunk to such an extent that sales of raw materials, such as were requested from Canada by the North Atlantic Treaty Organization committee set up prior to the Lisbon conference, are vital dollar earners which help Canada toward balancing her trade with United States.

This policy of drift, until a situation becomes so serious it practically explodes in their face and public opinion forces the government to act, is true with regard to Canada's export trade today. We are losing our traditional markets and the tempo of these losses is accelerated as the months go by. This is not only reflecting in pockets of unemployment across this country, but many of our major industries are now threatened. Real concern is now felt by our primary producers as to where markets will be found for this year's crop. Other industries, such as lumbering, pit props and related products already see the distress signals flying although these apparently go unnoticed by the government most responsible.

The answer given by Mr. Howe in the House of Commons on March 12 last that a