

Supply—Trade and Commerce

percentage of trade with another country, because you are taking the percentages out of the same aggregate volume of the production of our country. A moment ago I said that the most obvious difficulty that faces us in connection with the problem is the international balance of payments with which Britain has been faced, as a result of the drastic change in her economic status to which I have already referred. Before the war she was rich enough to pay for almost half her imports from dividends earned from her overseas investments. Since she was compelled to sell them during world war II, as I have said, she no longer has those revenues, and those assets. I do not think it is out of place to say that very much of that expenditure was made, particularly in the first year or so of the war, in order to fight the war on behalf of those of us who had the good fortune to live in North America, the United States, as well as Canada, far away from the scene of conflict and threat that then hung over Britain and Europe.

Britain is handicapped by the lack of dollars, so that she is compelled against her will to reduce her imports from this country and to look elsewhere for some of the supplies that she needs. And may I say to the Minister of Trade and Commerce that, as I believe, if we are going to correct this situation to any degree we have to help her to earn more dollars in North America; and that applies not only to Canada but perhaps more particularly to the United States, because we have not yet had a great urge in this country nor have we had public opinion demanding increases in tariffs against British goods coming into Canada, though there has been some suggestion of it. If we are to bring about a better trade condition across the world, somehow or other Britain has to be able—and that applies to other countries as well—to earn more dollars in order to buy goods from the dollar countries.

Last year we bought an average of \$31.9 million a month from Great Britain. That in the aggregate may seem at first glance quite a large amount to purchase, but I was very glad to hear the minister state that the imports from Britain are running higher in the first months of this year, because the figures I had for the first two months of this year indicated that the imports were lower, at a lower rate per month. I am very glad to hear him say now the imports are running at a higher rate than they were earlier this year.

Mr. Howe: I would not like a wrong impression to be created. I did not say the imports were running higher. I said

our exports were running at a higher rate. I was not talking about imports. Unfortunately they are not running higher; they are running a bit lower.

Mr. Blackmore: Imports into Canada.

Mr. Howe: Imports into Canada.

Mr. Coldwell: This is what the *Economic Record* for April 1952 had to say. This is a publication of the United Kingdom information office, and in its April issue it commented on the trade with Canada as follows:

That is why British purchasing in Canada is having to be cut further despite the United Kingdom hunger for the things Canada produces.

They were referring to the announcement made that Britain would have to import fewer Canadian goods, and it goes on to point out that the food minister, Mr. Lloyd George, when asked recently in the British House of Commons what was being done about Canada's \$300 million unsaleable surplus of beef, pork, milk products and food grain, had this to say:

For balance of payments reasons we are regretfully compelled at present to confine our purchases of Canadian food mainly to cereals and flour.

Well, of course, owing to the co-operation of New Zealand, that has been partially rectified as far as we are concerned. Then other commonwealth countries, with whom we should attempt to promote the best possible trade relations for political as well as economic reasons, are being compelled by the dollar gap to reconsider their all too low purchases from Canada. A great deal depends upon the ability to trade on a two-way basis.

I am not going to pursue this at very much greater length; but I do want to say that I believe that Canada, with our prosperity, with our favoured condition, should take a lead on every possible occasion not only to set an example ourselves but to urge other countries to do everything possible to remove their barriers from the trade channels. We should do everything we can to assist the nations that are our customers or our potential customers to earn dollars in our country. At the present time our own trade and the trade of the world are bewitched by uncertainty regarding what is going to happen in the United States, on the outcome of the election as well as the uncertainties of the American tariff, which has always been rather vacillating, and the possibility of a sudden shift in trade policies.

There is a good deal of concern felt everywhere, in our own country as well as in other countries, regarding that. We remember the general agreement on tariffs and trade,