

10 per cent. Exports to the United States for this period increased from \$850 million to \$1200 million, an increase of over 42 per cent. From the point of view of the main objective of Canadian export policy during this period, namely the increase of exports to dollar markets and the achievement of a closer balance in our trade with the United States, this is a most encouraging accomplishment, indicating in no uncertain terms that the constructive features of the emergency exchange programme are meeting with a very considerable measure of success. While exports to the United Kingdom and Europe showed a decline, they remained on a high level. The off-shore purchase arrangements of the Marshall Plan enabled Canada to send a large amount of exports to the United Kingdom and Europe and to receive payment for a substantial proportion in U.S. dollars.

The increases in exports to the United States occurred in a broad list of goods, but the largest relative gains were in agricultural products. I have already indicated how the concessions in the United States Tariff which we obtained in the Geneva Agreements helped to pave the way. Export controls were removed on cattle, beef and coarse grains in accordance with the Government's declared policy of withdrawing emergency wartime controls as soon as circumstances permitted. This combination of measures had immediate results in bringing about a heavy flow to the United States of farm products in which you in the province of Alberta are especially interested. Cattle and beef together accounted for an inflow of no less than \$67 million of United States exchange during the first 10 months and it is estimated that for the full year this figure will exceed \$100 million.

Although the value of our exports has expanded substantially, our imports have not increased appreciably. However, an important shift has occurred in the source of our imports in the direction of a better long-term balance. Imports from the United Kingdom, the Commonwealth and Europe increased no less than 41 per cent. Almost 70 per cent of this rise is due to larger imports from the United Kingdom. This is partly a result of the considerable measure of recovery in these countries and indicates that the large-scale credits which the United States and Canada extended are beginning to bear fruit. Also, this improvement has been assisted by our import control programme which was designed to help these countries to recover their traditional pre-war markets in Canada. The temporary suspension of the Preferential duties on cotton and rayon piece goods which I announced in my last Budget is an example of how we sought to encourage imports from the United Kingdom and to make available increased supplies for our consumers.

On the other hand imports from the United States were reduced by about 10 per cent during the first 10 months of this year. This decrease shows the effect of the import restrictions.

The import restrictions are not entirely responsible for the reduction of imports from the United States. To some extent that part of the constructive programme which envisaged a more rapid and fuller development of Canada's natural resources was successful in providing domestic sources of supply for goods formerly imported from the United States. This feature of our programme, involving considerable capital outlay and shifts in production, will take some time to become fully effective, but to the extent that it does it means permanent and lasting benefits.

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