

*The Address—Mr. Thatcher*

often we Canadians forget that in order to be an exporting country we have to buy. If you want to sell to a customer you must give him the means to pay for the goods. Sir Stafford Cripps warned this parliament and the Dominion of Canada about two weeks ago, in a manner that we cannot overlook. Sir Stafford made this statement in Great Britain. Probably hon. members have read it but I should like to quote it from the Canadian Press.

Cripps issues warning Canada to lose exports unless it "buys British."

Britain will buy less food from Canada unless Canada buys more from Britain, Sir Stafford Cripps, chancellor of the exchequer, said Thursday.

... he said the crux of the post-war Anglo-Canadian trading problem is expansion of British exports to Canada.

He said the present difficulties in Anglo-Canadian trade could be eased by greater Canadian purchases in other sterling areas in addition to the United Kingdom.

Surely, Mr. Speaker, that statement puts our trade problem right up to this parliament. If we want to continue to hold our markets in Britain we have to increase our British imports. As a parliament, perhaps there are several methods we could adopt which would accomplish that objective. I think one of the first would be tariff concessions on British imports. The government should thoroughly explore the possibility of giving fairly substantial tariff concessions to the English on British merchandise. We have not yet passed the Geneva trade agreement. It may not be wise for this parliament to pass it. I was concerned the other day to read an article about tariffs in the same issue of the *Financial Post* which I quoted a moment ago. This is what it said:

Cotton, rayon quotas off, tariffs back on July 1.

Tariff rates on cotton and rayon textiles are expected to be restored after June 30.

... it is expected that the government will announce these decisions at least three months ahead of the effective date.

The British trade has been warned, it is understood, that the government is no longer able to permit suspension of rate, which gave British suppliers free entry to the market.

I questioned the Minister of Finance the other day as to the veracity of that report, and he denied that such notice had been given. Notwithstanding that denial, the next day an article appeared in the *Ottawa Citizen*, written by Ross Munro, which was headed up:

To reimpose tariffs on United Kingdom cottons.

The government intends to reimpose the British preferential tariff on British cottons and rayon textiles after next June 30.

I sincerely hope that that statement is not correct, Mr. Speaker, because it would be economic lunacy to put higher tariffs on British goods, at a time when Canada should be trying to encourage British imports. Therefore the first step that this parliament should

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take would be to explore the possibility of reducing tariffs on British goods; but I hasten to say at once that I do not think that that step in itself would be sufficient to remedy our trade difficulties.

In recent months more and more Canadians have commenced to wonder whether a barter deal, or a bilateral deal between Britain and Canada might not be the solution to our problem. If European countries can make workable exchanges with Britain, it is difficult to understand why Canada cannot do likewise. Personally, I believe that in most cases barter is a retrogressive step. I think that, if most Canadians had any choice in the matter, they would prefer to retain multilateral trade; but it is beginning to appear in the world today that we may not have any choice.

I should like to quote another paragraph from the same issue of the *Financial Post*:

Records compiled from official sources by the Department of Trade and Commerce at Ottawa, reveal that there are between 100 and 150 barter or bilateral deals now in existence, mostly between the countries of Europe.

Apparently the British have decided that in the future they are going to conduct most of their trade on a bilateral basis. If we wish to continue trading with Britain, it looks as if we are going to be forced to deal in that way.

On February 9 I asked the Minister of Trade and Commerce (Mr. Howe) whether he had explored the possibilities of barter trade with Great Britain, and he made this reply, as reported on page 393 of *Hansard*:

The Canadian government is not favourably disposed toward barter agreements between governments . . . It believes in multilateral trade and is opposed to any system of trading which tends to interfere with multilateral trade.

That is a pretty brusque statement, and at the risk of appearing presumptuous I would say that it was not a wise one. The minister should admit that there is something wrong with our trading system between Great Britain and Canada. If the old system will not work, perhaps we are going to have to try something new. We read a good deal about the rumours of another barter deal, this time concerning wheat, between Great Britain and Russia. This afternoon the minister was optimistic. He said that we have an assured market. That assured market will continue only for a few more months. If by some chance we should wake up some afternoon in this parliament, and find that Great Britain had concluded with Russia a barter deal for wheat, I think the whole economic structure, not only of the prairies but of this country, would be shaken to its very foundations. I say therefore that if barter or bilateral trade is the only way we can keep