

*Supply—Trade and Commerce*

or about 13 per cent. The future of this market, so important to the maritimes, is now questionable.

In the case of lumber, softwoods, sawn but not further prepared, prior to the war the Canadian lumber industry had built up a valuable export market in the United Kingdom. This market was further built up in the years immediately following the war as evidenced by the fact that in 1946 Canada supplied 319,573 standards of United Kingdom total imports of 689,279. In 1947 we supplied 475,065 of their total imports of 1,129,065. By 1950 the Canadian exports to the United Kingdom had fallen to 115,456 when total British imports were reduced to 749,078. In 1951 total British imports amounted to 1,576,381, and imports from Canada more than doubled when they increased from 115,456 to 371,637. Just how much the announced reduction of £600 million in British imports in 1952 will affect this valuable Canadian export market has not been made clear so far. The records indicate, however, that in 1950, when Britain was faced with her last dollar-sterling crisis, and imports of lumber were shifted to soft currency currencies, including the Soviet union, the reduction in total imports bore a direct relationship to reduction in imports from Canada.

In 1938 Canada had export markets for 16,093,611 pounds of tobacco in the United Kingdom. In 1950 our total exports to this market were 15,838,955 pounds or slightly below the pre-war level. In 1951, however, Canadian tobacco marketing boards were able to sell 21,673,652 pounds of tobacco in the British market. However, on January 30 of this year the British government announced drastic cuts in British food, tobacco, and other imports. The Ontario tobacco industry has been informed that Britain plans to reduce flue-cured tobacco purchases in 1952 by 75 per cent, the result of which will be to reduce our export market considerably below the 1938 pre-war level.

The above sixteen examples of important segments of Canada's export trade to the United Kingdom have been checked with published accounts of trade and navigation of the United Kingdom, as tabled in the British House of Commons, and standards used are British measure. All comparisons were made on a basis of volume of trade in each case so that inflated prices in the last two years would not give a false impression of increased exports resulting therefrom.

While it can be reasonably argued as inevitable that our export trade in most agricultural products would sooner or later revert to pre-war levels, the trade figures for 1951 now show that our export trade in the most

stable market we had, namely, the United Kingdom, has fallen below the pre-war level of 1938.

Today, with Britain facing the most serious financial and trade crisis in her history, Canada, as the only dollar member of the commonwealth, finds her markets facing a most serious threat.

Our exports to the United Kingdom in 1951 of barley, oats, beans, bacon, ham, cheese, poultry, condensed milk, canned tomatoes, apples, canned salmon, are all below the pre-war level of 1938, while our export outlet for softwoods in the United Kingdom was only slightly above the 1938 level in 1951 and was considerably less than half of it in 1950.

Our 1938 pre-war export market in Britain for tobacco amounted to 16,093,611 pounds. In 1950 our exports fell slightly below this figure, 15,855,955 pounds, but jumped again in 1951 to over 21·6 million pounds.

On January 30 last, Britain announced a 75 per cent cut in 1952 for tobacco imports. This will have a very serious effect upon Canadian tobacco producers already confronted with reduced domestic markets as a result of the increased tax placed on cigarettes and cigarette tobacco in the Abbott budget of 1951.

Our cheese exports to Britain, which in 1951 fell below the 1938 pre-war level, are now subject to further serious reductions in 1952 as indications now are that Britain will not renew her 1951 contracts with Ontario cheese producers.

United States as an alternative market in 1952 is not very promising. Canada, along with other countries, has been endeavouring since last August to have that country rescind their ban on imports of dairy products, applied under an amendment to their defence production act, contrary to the international obligations assumed by the United States as well as Canada and other countries under the Geneva agreement on tariffs and trade.

It must be admitted that our export market in Britain for eggs in either shell or processed form was largely a wartime export which we could expect to lose because the water content of eggs did not warrant long distance transportation and dried eggs are a relatively low priced product.

The same argument could be advanced for our loss of the British market for condensed milk, on the ground that the water content of this product could stand the long freight haul in wartime but not peacetime, although