

The Address—Mr. Thatcher

has been true particularly of manufactured and processed goods, on which we depend so heavily to maintain full employment; but it has also been true of such pre-war staples as bacon, livestock, agricultural products, timber and newsprint. Our apple markets in Britain are today practically gone. I understand that the apple growers on both coasts are facing virtual ruin.

Our exports to Britain have shrunk despite the fact that in the past several years we have given substantial loans to Britain. Our exports have shrunk despite the fact that in the past year the Americans have given to Britain more than \$500 million in ERP aid directly, to finance Canadian purchases. As a matter of fact our trade relations with Great Britain have been strained practically since the end of the war. I do not think the minister was fair with the house this afternoon. Putting it bluntly, the way in which we have kept our exports to Great Britain, even at their present level, was only due to the fact that for the last two years—perhaps this is exaggerating slightly—we have virtually been giving many of those goods away.

The causes of our present trade difficulties with Great Britain are well known to every hon. member. Prior to the war Britain, year in and year out, was able to buy three times as much from Canada as we bought from her. Since the war, the financial position of Britain has been such that this trade relationship has no longer been possible. Britain has been forced by harsh realities to buy from those countries that bought from her. In other words, she has not been able to trade on the old basis, simply because she has lacked Canadian dollars to do so. Therefore I think the trade situation of Canada is much more serious than the minister a few moments ago gave us to believe. Unless we can do something to increase British imports into this country, and do it soon, we face the real prospect of losing in Great Britain many of our markets for our primary products.

Mr. Cruickshank: Do you want to bring horse meat in here?

Mr. Thatcher: If the present situation is serious, then I think the future situation appears even more difficult; because, should that artificial and temporary prop of ERP aid be removed, the bottom could fall out of our British market almost overnight, not twelve months from now, not six months from now. It could fall out in a month. There is apparently a strong possibility that ERP aid may be removed. I shall quote a few lines from the *Financial Post* of February 19, which reads as follows:

Canada stands in grave danger of losing ECA support for her wheat agreement with the United

Kingdom—a trade which totalled \$304 million in the ten months ended January 31, 1949. It's the biggest and most ominous problem Canadians have faced since the war. . . there is little doubt that unless there is intervention at the highest level, likelihood of Canada getting further ECA funds for the United Kingdom wheat deal is highly uncertain.

In the house the other day the Prime Minister was asked whether, while he was in Washington, he was given any assurance by the President that ERP aid would be continued. The best assurance that the Prime Minister could give the people of Canada was that he felt certain the President had a "friendly understanding" of our problem. That will help, but nevertheless we must face the possibility that ERP aid may soon be removed.

Recently, London concluded a billion-dollar barter agreement with Poland, and the products which Britain obtained from Poland were livestock, cheese, and other agricultural products. I believe I am not exaggerating, Mr. Speaker, when I say that that deal caused consternation in agricultural circles in Canada. We know that that is not the only barter deal that England has concluded with European countries. There have been dozens of others of a similar nature. Mr. Speaker, in almost every case, the products which Britain is securing from these countries are the products which formerly she obtained from Canada. In other words, as time goes on we are seeing the markets for our primary products evaporate.

In addition, today the United Kingdom authorities are spending substantial sums of money in developing the continent of Africa. When these food-producing areas commence to produce, it is reasonable to assume that in the future Great Britain will be even less dependent upon Canada for food than she is today. Therefore, Mr. Speaker, no matter in what way we look at it, the primary producers of this country are facing very serious marketing difficulties, and I do not see how these facts justify the speech made by the minister this afternoon that the future trade prospects of Canada are rosy.

We could look for markets elsewhere. Probably we could sell some of our farm surpluses to the United States. Yet, in the past, the United States has always been insecure so far as markets for Canadian primary products were concerned.

It would seem to me that the most sensible solution for this parliament to attempt would be to hold our British markets. In some way we must find methods of increasing British imports into this country. It seems to me that in the last few years the government has been most apathetic in devising ways and means to increase British imports. Far too