

farm machinery and equipment, and non-ferrous metals.

Exports to the United Kingdom were at an annual rate of \$600 million at the end of 1946; they climbed to \$780 million early in 1948; dropped back to \$650 million early in 1949; then recovered to about \$700 million, and have been fluctuating narrowly about that figure for the past eight months. There has been more variability in the pattern of our exports to the United Kingdom. We have sold them more grains and more base metals, but they have bought less animal products and less timber.

Exports to all other countries increased from \$800 million late in 1946 to about \$1 billion at the end of 1947. Since then they have declined in an irregular pattern and are now at a rate of about \$750 million a year.

Taking the last two years as a whole, a fall in overseas exports of about \$300 million has been more than offset by an increase of \$500 million in our exports to the United States.

On the import side, it would be agreed, I think, by all groups in this house that Canada should welcome increased imports from our overseas customers. But such an increase, to be of a lasting nature, must be based upon supplying goods which we need and like at prices which are competitive with the supplies available to us from our own producers or from other countries. Ever since the war, and more recently as a part of our policy of meeting our own dollar problem, we have taken special measures to help our overseas suppliers to surmount the transitional difficulties of the post-war period; but we cannot continue these indefinitely, nor should we convert temporary devices into permanent policies. It continues, however, to be our policy to encourage as large an increase as possible in our overseas imports, within the framework of our international obligations.

As the house knows, imports into Canada increased rapidly from the \$1½ billion figure in 1946 to \$2½ billion at the end of 1947. This increase of a billion dollars in imports was in part a reflection of world wide price increases, in part a filling of the accumulated shortages of the war years, and in part the purchase of materials and equipment for incorporation in our heavy post-war capital investments. Largely as a result of our emergency import controls, imports were held at the \$2½ billion level throughout 1948, and as these controls were relaxed the rate of import climbed slowly during 1949 to about \$2¾ billion. There has been little change in the rate of import during the past six months, and such change as is discernible has been slightly downward.

As a result of our emergency import controls our imports from the United States during 1948 were held to a level about \$200 million below 1947. With the progressive relaxation of these controls our annual rate of United States imports has come back to within \$25 million of their earlier peak. Much of this increase has been in the field of capital goods and equipment which have been a necessary part of the continued capital investment program of Canadian industry.

Frankly we have been a little disappointed in the apparent inability of overseas countries to resume their traditional share of our import market during the past year. Late in 1946 our overseas imports were about \$500 million; they rose steadily to \$860 million early in 1949, but from that point