

which was addressed to the secretary of the Canadian Lumbermen's Association. I have read this telegram before, but I should like to put it on Hansard again:

Have received cable from Liverpool reading as follows: Fifty thousand standards—

In other words, 100,000,000 board feet.

—unsold Russian balances definitely being dumped this season. Loading orders already given several cargoes this area.

That is, Liverpool. That telegram was from the representative of A. F. & B. McKay, importers of lumber and timber products in the United Kingdom. That is the character of the competition that drove us out of the British market.

Now we come to article 21, and in connection with the attitude of the British government in relation to that article I said to our committee, as I said in this house and to representatives of the press, that in my opinion when the British government signed a document of that character the British government would carry out the spirit and the letter of the agreement, just as they entered into it. I still believe so. To confirm my opinion let me say that at this time there is in Canada a gentleman whose name I am not going to mention, who represents a very large firm of timber importers in the United Kingdom. This gentleman is crossing Canada. He has been in New Brunswick, in Quebec and Ontario, and now is in British Columbia making contracts that will enable his firm to import lumber as soon as the saturation presently prevailing in the United Kingdom market has vanished. What does he say? Before the agreements were entered into here at Ottawa his firm was conducting negotiations with the government of Latvia for the production and importation of a large quantity of lumber. The proposal made to his firm by that government was as follows: "We will furnish you with the saw logs without cost if you will saw them into lumber, take them to the United Kingdom, sell them and give us half the profits." The agreement was actually drafted and ready for signature when the Ottawa conference intervened and article 21 was adopted. This firm took their contract to the British Board of Trade and said, "What will happen if we enter into this contract?" The answer was, "You will find yourselves up against an embargo. The United Kingdom government will not permit the importation into Great Britain of lumber that is produced by state aid in that manner, in the face of article 21. That is the manner in which they will deal with the whole situation." Now I

[Mr. Nicholson.]

have studied the situation intensively and I know something about the production and sale of lumber in eastern Canada, and my opinion is that when the saturated condition of the British market evaporates, so to speak, and exchange values become stabilized, we shall get back into the United Kingdom market just as we were before 1914 and during the years 1918 to 1921 and until 1922.

With reference to my hon. friend's allusion to the stabilization of the dollar with the pound through the printing of more bills, that may appeal to some people but I very much fear that if we are to wait for the restoration of normal, stable conditions throughout the world, which alone will enable this or any other country to get back to normal business, until we get there by means of inflation, by the printing of more bills, we shall have to wait a long time. It will be more than three years.

Mr. MacLEAN: I notice that under this item there is reference to canned fish. Can the minister give us the exports of canned lobsters to the British market and other countries?

Mr. STEVENS: I will give it in a moment.

Mr. MacLEAN: While the minister is looking up that information may I say a few words. My hon. friend from Quebec South has spoken with reference to the question of exchange in connection with the lumber industry, and what is true of lumber in this regard is true of all other products. There is no doubt that when the conference failed to deal with the question of exchange they failed to bring any relief to our exporters of goods to the British market. The people in the country scarcely realize that under present rates of exchange Canadians are contributing \$20 in every hundred to the purchasing power of people in Great Britain. Now it is impossible for us to continue in business under such circumstances. Different members have referred to the exchange question and it seems to me most unfortunate that in such an important matter the members of the conference, representing the various parts of the empire, were unable to bring in some suggestion in their report on that occasion. I wish to pay this tribute to the Prime Minister, that he was about the only gentleman at the conference who made any really concrete suggestion in relation to the exchange situation. He suggested that an empire pool might be arranged, a contribution, I suppose, made by the governments of all the different countries, and machinery set up whereby the ex-