

*Supply—Trade and Commerce*

of commodity trade while a year ago we were running a deficit. Altogether developments so far point to another record year for Canadian trade and one in which exports and imports may be in better over-all balance.

The trends which were evident in both our external trade and our domestic economy suggest that Canada is emerging from a period of initial adjustment to a defence program to one where supply and demand are in better balance, with a consequent easing of the pressure on prices. In the home market underlying demand remains strong, bolstered by a vigorous resources and industrial development program and a rising level of defence expenditures. As for our customers abroad, there are indications that even where currency difficulties exist, many of Canada's basic export commodities are too urgently needed to be dispensed with. The outlook therefore is for a further rise in the level of employment, income, and output.

In this period of adjustment the Department of Trade and Commerce has helped in three ways. In the first place, shortly after the war broke out in Korea we started building up in the Department of Trade and Commerce a number of units to look after some aspects of the defence production and material allocation program. With the formation of the Department of Defence Production on April 1, 1951, these units were transferred to the new department. This helped us materially to put the new organization together in a short space of time.

Secondly, the department has carried on with its effort to assist in the expansion of Canadian trade, both exports and imports. The great emphasis on this phase of the work by the department is in line with the government's view that, in spite of the importance of defence preparation, special attention must be given to our trade relations with other countries. A high and diversified level of exports and imports continues to be a vital prerequisite to the nation's well-being.

Departmental representatives participated in the trade conference at Torquay which began in September, 1950, and lasted until April, 1951, and took an active part in the sixth session of the contracting parties to the general agreement on tariffs and trade in Geneva during September and October, 1951. A considerable number of trade discussions were carried on with individual countries, the United Kingdom, other parts of the British commonwealth, the United States and a number of European, South American and Asiatic countries.

[Mr. Howe.]

Thirdly, the Department of Trade and Commerce has continued to assist domestic industry. Activities cover a great variety of aspects, from assisting business firms facing supply and market problems to encouraging foreign manufacturers to establish plants in Canada, from negotiating with Canadian suppliers for products to be shipped to India and Pakistan under the Colombo plan to making arrangements for Canadian participation in industrial fairs abroad and particularly in organizing the Canadian international trade fair. The fair this year will be held in Toronto from June 2 to June 13. We have already had an indication that this year's fair will be bigger than any of our earlier fairs, and that Canadian industry will be participating to a greater extent than ever before.

As to details of the activities of each branch of the department, they may be found in the annual report of the Department of Trade and Commerce for the calendar year 1951, tabled this day. Copies will be made available to hon. members as soon as they are received from the queen's printer, probably within the next few days.

**Mr. Charlton:** Mr. Chairman, I am sure we were all very interested in the report the minister gave us on trade conditions in Canada today. It is most urgent and most important that we take a great deal of time and interest in studying this situation as it is. For years our most stable market for agricultural products has been the United Kingdom. I want to give a brief historical sketch of what has happened to those products we have sent to Great Britain, Mr. Chairman, and the position in which we are today with regard to those products.

In 1938 we supplied 27.5 per cent of the total British imports of barley. By 1951 we had lost this market to Russia, which is now the largest supplier. In so far as oats are concerned, in 1938 we supplied 93.9 per cent of the total British imports; in 1945, 96 per cent; in 1946, 72 per cent; in 1947, 92.9 per cent; and by 1948 we had lost this market to the iron curtain countries, chiefly Russia, and the sterling countries. In 1938 we supplied 254.5 thousand cwt. of beans which was 24.3 per cent of the total British imports. By 1951, we had lost this market. In 1945 we supplied 43 per cent of the total British imports of beef. We lost this market largely to the Argentine Republic and found an alternative market in the United States which has since been closed to us as a result of the outbreak of foot-and-mouth disease in Canada. This is the most recent example