

The Address—Mr. Howe

Mr. Rowe: That was before you were in Canada.

Mr. Howe: The present level of trade, Mr. Speaker, is the highest in Canadian history. Last year it reached a figure of five and three quarter billion dollars or four hundred and sixty dollars for every man, woman and child in Canada.

I spoke of our exchange conservation program and the effect of that program in remedying our adverse balance of trade with the United States. Our adverse balance of trade with the United States of \$920 million in 1947 was reduced to \$285 million in 1948. This represented a net improvement in our United States trade balance of \$635 million within that period.

Mr. Cockeram: How much of that was ERP?

Mr. Howe: The significant thing is the manner in which this improvement was achieved. It was accomplished by an increase in exports of \$465 million and a decrease in imports from the United States of \$170 million. In reply to the question of my hon. friend about ERP, it added not at all to either our exports to the United States or our imports from the United States.

This \$170 million decrease in imports from the United States greatly underestimates the exchange savings resulting from conservation control, because a higher level of domestic development coupled with a much higher level of exports would ordinarily have called for a still greater import of United States goods. I am particularly pleased about the success of the program in correcting our trade balance at a high level, by increasing exports to the United States by \$465 million during the year 1948. It seems to me it is a real accomplishment for our manufacturers, our farmers and our producers of lumber and fish, who can all take a share of the credit. It was a magnificent response to a call from the government to increase our exports to the United States.

Another important change during 1948 was in our trade with the United Kingdom, and this shift was also in the right direction. Our imports from the United Kingdom rose from \$190 million to \$300 million. Our exports to the United Kingdom dropped by \$65 million, but the United Kingdom trade deficit with Canada was reduced by \$175 million.

An hon. Member: What were the figures?

Mr. Howe: Someone has asked a question concerning the figures; in 1947 our exports to the United Kingdom were \$753,700,000, and in 1948 they were \$688,700,000.

Mr. Hackett: Were those figures not increased by ERP?

Mr. Howe: I do not know about that. My hon. friend seems to have ERP on his mind. All I can tell him is that our exports to the United Kingdom were paid for by the United Kingdom. From what source the money was obtained, I do not know.

Our total exports for 1948 increased by \$300 million over 1947 figures. The principal increases were in beef and cattle, \$87 million; wood pulp and newsprint, \$75 million; metals, \$128 million; farm machinery, \$32 million.

I might mention wheat. In this house we have heard a good deal about wheat but I think we are going to hear less about it in the future, because any mention of wheat is going to remind the farmer that his return for 1949 and for 1950 will be higher than the returns to any farmer in any other corner of the world.

Mr. Ross (Souris): He will still be short \$600 million.

Mr. Howe: I can tell the members of this house that our wheat for the crop year of 1948 is 95 per cent sold at the present time.

Mr. Hackett: At a loss of over a dollar a bushel.

Mr. Howe: My hon. friend never saw a kernel of wheat in his life.

Mr. Rowe: He knows the price of it better than you do.

Mr. Howe: When the farmer plants his wheat this spring, he will know just what the returns from that particular wheat will be. He knows that 140 million bushels of the 1949 crop have been sold to our traditional customer, the United Kingdom, at a price of two dollars per bushel. Much has been said about the United Kingdom wheat contract, but too little has been said about the importance of having a place reserved for Canada in the market of the United Kingdom. I can tell the members of the house that, had it not been for the firm contract for 140 million bushels of wheat to the United Kingdom from the 1948 crop, there would be a great deal of unsold wheat in Canada today, just as there is in the country to the south of us. As the minister responsible for the export sale of our wheat, I am very happy indeed to know that 140 million bushels of the 1949 crop have been sold at a firm price, a price that in these days of falling markets appears to be an excellent one for Canada.

I suggest that, before we talk any more about losses from the United Kingdom wheat contract, we remind ourselves that only two and a half years of the four-year period have passed. It may be well to look at the final