

*The Address—Mr. Coldwell*

of the sterling area. It is a question, indeed, of our own continued Canadian prosperity. If we look for a moment to see what has happened since the war to some of our trading relationships with the United Kingdom—the largest sterling country—we find that we have indeed, as the Prime Minister (Mr. St. Laurent) pointed out, tried to increase our trade with her, but always we have exported to her far more than we have been willing or able to import from her. In 1946, for example, our exports to Britain were nearly three times as great as our imports. In 1947 our exports were nearly four times as great as our imports; in 1948, they were over twice as much and in 1949 about twice as much. In 1950 we came the nearest to striking a balance, largely because of the curtailment of dollar purchases by the United Kingdom. In 1951 that curtailment by Great Britain continued but our imports from the United States increased, again to Britain's export disadvantage. In other words there was a substantial increase.

Now, it is argued that this trading position had been normal throughout the years. To some extent that is true. Before the war, with the assets I have already mentioned, Great Britain was able to buy from us, we shall say, twice as much as she sold to us, and we were able to buy from the United States twice as much as we sold to that country. Thus the balance was made up because of the overseas assets and the inflow to Great Britain from those assets. But the post-war change in the assets of the United Kingdom and the other sterling countries—I am including Holland and other countries which had a somewhat similar experience and either lost assets or overseas areas which they formerly controlled—changed the picture almost completely.

I should like to say that in our opinion, both at the commonwealth conference and generally in our trade relations, we can only regard trade as a matter for great co-operative effort. In other words, we sell in order to buy, and nations must buy where they sell. There is a danger, of course, as the Minister of Agriculture (Mr. Gardiner) pointed out in his speech that was quoted by the Leader of the Opposition this afternoon, that our mounting surplus of some commodities, particularly wheat, and the curtailment of the export of some other commodities which the Prime Minister mentioned a few moments ago, will gravely affect Canada in the long run. As to the present outlook for wheat, we all know that the world needs every kernel of it. The difficulty is, how is the world going to pay for it? I think the answer to that question is that the world can only pay for it by our

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taking goods or by our making loans or by our accepting sterling and making investments in the sterling area.

It is said, of course, that in order to replace these normal markets, as I call them, that we had in the past, we have been able to find new markets in the United States. It is true that before the war, as I have already pointed out, we traded very largely with the United Kingdom and the United States. Since the war a great deal of our trade has been diverted, the Minister of Trade and Commerce (Mr. Howe) will probably say of necessity, to the United States. In other words, whether or not we have had to, we have placed more and more of our trading eggs in the one basket.

For a moment I want to look at the figures from the United States, and these are from the official reports just as the Prime Minister's figures were this evening. Recent figures from the United States for 1950 show that United States imports into Canada were five times as great as those from the United Kingdom. In 1951 they were at a still greater ratio, of six to one. Our exports, taken over the long-term picture, showed a somewhat similar change. In 1950 we exported four times as much to the United States as we did to the United Kingdom, and the 1951 figures show over three times as much.

It may be said that this rather discounts my argument, but if we look at the picture still more closely we realize that in the past our economic health did not depend on exports to the United States but rather on those to the United Kingdom. We believe that if we are to maintain a healthy economic life in this country in the future, then we must not place so much reliance on trade with the United States as we have been doing in the immediate past. The reason, of course, is very simple. As was pointed out this afternoon, the United States is so largely competitive with Canada in her production. She produces the same commodities that we produce, particularly in agriculture, although more and more as the days go by Canadian industry is so greatly expanding its production that we are competitive industrially as well in many respects. Indeed, many of the corporations that are operating as Canadian companies in Canada are in reality United States companies who, from time to time, seek tariff protection from the parent organizations in the United States.

I was interested a few days ago to read a statement in the *Montreal Gazette* by the president of one of our Canadian chartered banks. I am not going to quote the statement because it is somewhat lengthy. I am going to summarize it, and I think I am doing