

standards is restricted to offers from producers in Western Canada and the northwestern United States.

**Hon. Wishart McL. Robertson:** Honourable senators, I am happy to have the opportunity of making a brief reply to the inquiry which my honourable friend from Northumberland (Hon. Mr. Burchill) brought before this house in such a detailed and interesting fashion.

I may say that no one is better qualified to bring this subject to our attention than is the honourable senator from Northumberland. The interest that he has taken in the welfare of the lumbering industry has long been a characteristic of his activities. What my honourable friend says about the value of the Maritime lumbering industry applies largely to Nova Scotia, New Brunswick and a portion of eastern Quebec. He has pointed out that for many years the United Kingdom market for long lumber has been a valuable market for the product of the area that I have referred to.

In the years just before the outbreak of war the annual export of lumber to the United Kingdom from that area was approximately 250 million board feet. During the war and up to 1947 exports increased, and in 1947 amounted to 320 million feet. But in the next year, 1948, they declined to 60 million feet. It is hoped that this year we shall ship to the United Kingdom approximately 130 million feet—roughly twice the 1948 quantity but only half the pre-war average.

As my honourable friend from Northumberland (Hon. Mr. Burchill) pointed out, there has been a change in the method of indicating United Kingdom requirements for Eastern Canadian lumber. Prior to the war it was the general practice for United Kingdom buyers to intimate in the fall of every year what their requirements would be for the coming year; but last year there was a change from that pre-war pattern and the requirements were not made known until much later. So not only is the industry confronted with a reduction in demand from the United Kingdom, but it is not able to lay its plans as early as formerly for meeting the demand. In the present year it was not known until the end of February that the United Kingdom would purchase 90 million board feet in 1949, and it was even later before an intimation was received that the requirements would be increased to approximately 130 million board feet.

The problem of course arises out of the United Kingdom's shortage of dollars and its dependence to some degree upon the E.C.A. for financial assistance. So far as I am aware, there is no lack of willingness to buy. Our prices are competitive, though perhaps less so since the recent devaluation of the pound. Undoubtedly United Kingdom requirements

of all kinds from the dollar area will be carefully considered and screened by the E.C.A., which is providing so much financial assistance. I would point out that there are three possible sources of payment: money paid for goods sold us by the United Kingdom, money provided by our own loans, and money received through E.C.A. assistance. And while I have no definite information on the subject, I do not doubt that the whole program of United Kingdom importations from the dollar area, including both Canada and the United States, is subject to careful screening. In his inquiry my honourable friend from Northumberland pointed out that there was a recent inquiry from the United Kingdom for 50,000 standards from the West Coast. That at least indicates that the United Kingdom is not disregarding this area as a source of supply for at least a part of its lumber requirements. The inquiry contemplated delivery in the first six months of 1950, and also, I understand, it contained a clause that on the buyer's option delivery might be taken in the first three months. It is hoped that this indicates a staggered program of importations, and that the 1949 pattern of East Coast exports will be followed in the latter part of 1950. The Department of Trade and Commerce is constantly pressing on the United Kingdom the advantage of making known its requirements at the earliest possible date, but we cannot be sure at the moment that a decision will be made in an earlier month this year than last year. I can only say that the department feels reasonably optimistic as to the immediate future.

I regret that at the moment I cannot say anything more definite than that, but I would point out that at present the United States market is strong and prospects for 1950 are good. The Canadian exports of lumber to the United States—I am speaking now of exports from all parts of Canada, for I have no figures as to Eastern Canada alone—are approximately 475 million board feet a year. In 1948, as a result of good demand and also of decreased exports to the United Kingdom—which probably made more lumber available for the United States market—the exports to the United States increased to 730 million board feet. During the first nine months of this year there was a decline, through lessened United States demand. It is probable also that increased exports to the United Kingdom reduced the amount of lumber available for shipment to the United States. The figures I have given are for the first nine months of the year, but I am advised that the American market is much better now. I would point out that the devaluation of the dollar gives our producers an advantage on the United States market.