

The Address—Mr. Fleming

with a measure of confidence to the restoration of better conditions, and to the checking of further communist designs in the west. Unhappily the same cannot be said of conditions in the far east. At any rate, the determination of the western nations to mass their strength to resist aggression has borne fruit and we applaud the results of the Atlantic pact.

Since this increased security and peacefulness have been enjoyed in the western world, peace seems to have permeated the atmosphere in this chamber. Since the opening of the session all has been peace, all has been tranquil. It is difficult for those of us who sat in the last house to adjust ourselves to this placid atmosphere. It may be that, in the past, it has not been my part always to contribute to the placidity of the debates in the house, but at this point I wish to say that I do not wish to subtract anything from the high plane on which my leader opened the debate on Monday.

I turn to the subject of trade, which is recognized as one of vast importance to all Canadians. The average Canadian has a greater interest in international trade than the citizen of any other country in the world. We have been through a crisis, and it is still with us. It is a crisis in trade, Mr. Speaker. The timing of the crisis, I am afraid, was one of the things that may have guided the government in the selection of June 27 as the election date. I am not going to go back to review election issues, I want to make that clear. They are all water under the bridge now, but I do consider it the duty of members of this house to take cognizance of events that have transpired since the election.

The last reference to the subject of trade prior to dissolution in this house was made by the Minister of Trade and Commerce (Mr. Howe) on April 25 and is recorded at page 2520 of *Hansard*. In reply to a question he said this:

The present state of our markets in the United Kingdom is quite normal.

He went on to say that his forthcoming trip to the United Kingdom was simply for the purpose of taking part in the opening of the British industries fair, not for any reason having to do with a changed situation in respect of British trade. We have his statement that trade with Britain was normal. You will realize with what surprise, then, just three weeks later in Toronto, I heard from the Right Hon. Harold Wilson, the president of the British board of trade, these words:

We have reached a critical situation in Anglo-Canadian trade.

Those are the words of the opposite number of the Canadian Minister of Trade and Commerce just three weeks after the minister's remarks in this house. Of course, Mr. Wilson was right. There was a crisis in Anglo-Canadian trade but the crisis was not admitted by this government until after the fateful day of June 27.

Our exports to the United Kingdom last year as compared with the previous year dropped by \$67 million. During the first seven months of this year our exports to the United Kingdom have undergone a further reduction. But reductions more grave than these in their portent were announced on July 14 by the Chancellor of the Exchequer when he stated that Britain had found it necessary to reduce her spending in United States and Canada by \$400 million during the current fiscal year. Imports of tobacco, cotton, timber, paper and pulp, non-ferrous metals, steel, copper, raw materials, machinery, manufactured goods and sugar would be affected. An official of the Department of Trade and Commerce, speaking to the press in Ottawa, is quoted in the press on July 15 as saying this:

He estimated on the basis of Sir Stafford Cripps' announcement in London cutting the United Kingdom's 1949 dollar purchases by 25 per cent, Canada would lose by sixty to eighty million dollars this year. "If the slashes continue, then next year—1950—will be the crucial year," the official said. A continued 25 per cent cut next year in Canadian exports to the United Kingdom would mean the loss of more than \$100 million.

That is full of the gravest portent for Canada and particularly for the Canadian primary producer. The disastrous effects of that decision cannot be overestimated in this country.

We must remember to what extent ERP has continued to maintain our exports to Great Britain. Up to July 31 the United States had appropriated through ERP for the purchase of commodities in Canada \$785 million. The \$785 million allotted to Canada represented 38 per cent of the total offshore authorizations made by ERP. Shipments to the United Kingdom up to that time had amounted to \$648 million.

The continuance of ERP means so much to the economy of this country. When the Canadian Minister of Finance (Mr. Abbott) went to the United States recently to participate in the Washington discussions, I am sure it was a matter of great satisfaction to all Canadians that he returned with a tentative assurance that the United States would be prepared to appropriate \$175 million for the continued purchase by Great Britain of Canadian foodstuffs, particularly our wheat.

I do not wish to leave this subject without emphasizing this, that the events which have occurred since this house was last in session