

*The Address—Mr. Drew*

the government then of exactly what was impending. This quotation is from their brief:

We question the wisdom of frequent announcements which have been made by government spokesmen to the effect that Canada's export trade of 1948 set a new peacetime record in dollar value, without qualifying such statements by emphasizing that such record was only made possible by the expenditure of ECA money and the excessive dependence of Canada on the United States for so large a percentage of Canadian exports in raw commodities and finished goods. As a result of these announcements, the Canadian Exporters Association finds that Canadian producers and the people of Canada are largely unaware of the markets Canada has lost abroad, of the danger that continues to threaten our export trade, and the extent to which Canada's present and future economy is menaced, with the attendant problems of unemployment and consequent lowering of our standard of living, and the exclusion of Canadian products in countries where they are badly needed.

We all know today that every statement made by the government gave a contrary impression to that which was so clearly put forward by those who were actually engaged in the export business. The people of Canada were told that the situation was entirely different from that which the Canadian Exporters Association indicated and which events, unfortunately, proved to be true.

In the same formal presentation we find reference to another example of the kind of statement that has been given to the Canadian public and which has created a false sense of confidence while the government has withheld the vigorous action which should have been taking place to meet a situation of this kind. I quote again from their brief:

The announcement made in January of 1949, that increased trade with the British West Indies had been made possible by arrangement with the United Kingdom government of new dollar allotments to the British West Indies colonies, was greeted with enthusiasm by Canadian exporters. It was, however, a great disappointment when we later learned that the amount of money involved was limited to only three and a half million dollars and that this amount was to be used in trade with the whole dollar area and not for trade with Canada alone. We submit that, contrary to the government's press release of January 4, this was less than what could be considered token shipment and has had very little effect in even partly restoring Canada's export trade.

That quotation refers to a situation that is serious, particularly so in Newfoundland and the maritime provinces, where there has been such a long record of trade with the British West Indies. This statement by the Canadian Exporters Association was completely accurate, and indicated once again how unreliable so many of the statements of the government have been in regard to export trade. When it is realized that at least seventy-five per cent of all our unemployment amongst employables is directly attributable to the

loss of export trade, we are better able to judge the seriousness of withholding this information from parliament.

What makes the situation doubly serious is that in addition to industrial unemployment there has been a severe drop in prices of agricultural and other basic products directly related to overseas exports. Now we see unmistakable evidence of resistance growing in the United States to Canadian exports in certain lines to that country. It should also be remembered that industrial exports are being affected as well as commodity exports. On July 22, 1949, the Canadian Exporters Association made the following statement to the Minister of Trade and Commerce; and whatever reasons there may have been for not acting earlier, on July 22 those reasons certainly were not apparent. I quote again:

Our members are concerned about the losses of so many markets for manufactured goods and the present and future effect on industry and particularly employment. We submit that it is in the production of manufactured goods rather than our primary or agricultural products that Canada's greatest labour force is employed, and losses resulting therefrom will affect the Canadian economy more substantially. Our members who have spent so much money and effort in developing exports are now wondering whether Canadian consumers' goods have a legitimate place in world markets. Many are indeed closing up their export departments and are relying more and more on domestic trade, which, while satisfactory now, may not be maintained under changing conditions.

That statement also has proved to be all too correct.

One thing which is apt to give a misleading impression as to the relationship between export business and employment is the fact that the most recent figures of export in dollars relate to production which has already taken place and for which employment has already been given. Particularly in the field of industrial production much that will be exported in the months to come is already made. Present employment is related to anticipated exports; those engaged in the export business are relating their production program to what they may expect to sell some time ahead. As a result, figures of exports in dollars give no indication of the extent to which employment is dropping as a result of shrinking exports and anticipated loss of exports in the months ahead. This is related to the fact that those who know the situation are expecting a still greater reduction in the months ahead. The government is well aware of this fact, and has been well aware of it for many months.

I ask the members of this house to compare the statements and information we have received, with the reality which is now disclosed in unemployment figures, in the prices