

Mr. Chairman Mr. Hollett, please!

Mr. Hollett True, you're small enough to crawl down a man's throat!

Mr. Chairman Mr. Hollett...

Mr. Hollett You made a ruling and I respect it. It's perfectly right, probably, but I wanted to ask you this question in case I did get up at some other time on the Economic Report. If I'm talking about the economy of this country, have I not the right to compare certain aspects of the economy of this country with any other country in this world?

Mr. Chairman Yes.

Mr. Hollett Well, I won't say more. Thank you very much.

Mr. Chairman Except, Mr. Hollett, except you must not get off the Economic Report to make any reference to political institutions as such at this time.

Mr. Miller If I were humoured, sir, I would say...

Mr. Chairman I am not interested in the expression of senses of humour, I am merely interested in getting on with the business of the House. Please continue.

Mr. Miller Yes, sir. Suppose we take a look at what Canada is doing under very similar circumstances. Canada, too, is an exporting country. In fact she is referred to as great exporting country. Turning our eyes to Great Britain, she too found it difficult to market her produce due to the limited dollar credit available to the old country. And if the people of Britain had decided to tighten their belts another hitch, which incidentally they do willingly in their country's interest, then we'd be buying Canadian bacon in Newfoundland at a very low figure. However, Britain continued its collective purchasing and relied on currency control to reinstate her position, and Canada realising this decided there and then to reduce, curtail to the very skeleton of its agreement its trade with the United States of America, and increase its trade with Britain. This was done of necessity to protect Canadian exports to Great Britain which amounted in the first half of the present year to \$352 million. What the loss of this market would have meant to the Canadian farmer can be best appreciated by the Newfoundland fisherman when he remembers the uneasy time he has just passed through. True, Canada continued unchecked its purchase of essentials such

as coal, oil and cotton, using US dollars from its tourist traffic — US dollars that Britain has been spending in Canada, and resorting as well to the sale of its gold to the US Federal Reserve Bank. All this it is feared is not enough to offset the unfavourable balance of trade, and rumour now has it that Canada will seek a loan of \$500 million American. Yet Canada is considered a self-supporting country. All this gives little credence to Canada's economic nationhood. And I'm glad, Mr. Chairman, that we too assist Canada in no little way through the US dollars received for our exports to that country, and by the receipts in Canadian banks in Newfoundland of US dollars. On that sir, I am going to again refer to my old friend, Chadwick and Jones, section 39.

Newfoundland's balance of payments position cannot be determined with the available statistical material. The net balance of trade was positive throughout the thirties but the gains from the visible trade were more than offset by invisible imports. During the war the balance of trade became negative and the negative balance on invisibles increased because of higher costs and mounting net insurance remittances. Exchange losses are, however, borne by Canada since the Canadian dollar is legal tender in Newfoundland and all banking transactions are carried on by Canadian banks. Any losses on Newfoundland trading account were probably more than balanced by the earnings from the purchase of Canadian dollars by United States forces which for the four years ending 1945 amounted to \$77 million US. This money should directly be held in Newfoundland as Newfoundland credits for our essential purchases in American markets. We have to buy US dollars at a premium and thereby further impoverish our economy. So as we consider the stability of our own economy, we would be well advised to view the clouds on the economic horizons of other countries.

What does all this add up to? Presently, a mess. Is the world full of insurmountable obstacles? Not at all, but to go forward we must act with initiative and aggressiveness.... We must shake off some misconceptions of our forefathers. We are doing it, let us pick up speed. It has been said that the outline of Newfoundland's economy lies in the shadow of the economy of other countries. I say it has been held there, and