

up. So Canada found that she was using up her supply of United States dollars at a rate that began to make them think, and scare them a bit, so what they have done is this: the government has selected a list of things that Canadians are not allowed to import from the United States, not things that you must have, but things that you can do without. For the next year or so Canadians will have to do without such things or make them themselves — vacuum cleaners, refrigerators, radios, motor cars, etc. In the second place, the Canadian government has made up another small list of things, which they have not exactly prohibited from being imported from the United States, but they have put a higher excise tax on them to discourage people from buying them in the next year or so until the US dollar shortage comes to an end. In the meantime, having adopted these temporary ways of saving the United States dollar supply, Canada has embarked upon what is perhaps the biggest program of home production and development in her whole history. C.D. Howe, the cabinet minister who did such a marvelous job during the war in controlling and stimulating all Canada's wartime production, has been given charge of that mighty program of increasing Canada's industries to enable her to produce for herself the things she has in the past imported from the United States.

The effect of the first World War was to turn Canada from an agricultural economy into an industrial country. The effect of World War II was to turn Canada into a very much greater industrial nation than she had been, and now this new programme under one of the greatest administrators in the world today, C.D. Howe, the man who built half the grain elevators of the United States and Canada, the man who built Port Churchill, one of the great engineers and administrators of the world, has been given tremendous power by the Government of Canada, almost like the wartime powers he had, to inaugurate and shape and mould and encourage the development of brand new industries in the Dominion of Canada.... There is one big way that Canada could adopt, if she wanted, that would very quickly end, her shortage of American dollars, and that would be to sell to the United States and other dollar countries a much greater share of what Canada produces, all kinds of products for which Canada was famous. But if Canada did

that ... the old mother country would have to go short; the British people would have to pull their belts tighter, and British children would feel the pinch more than they do today, and Canada, which stood at Britain's back during the darkest days of the war, is still standing by her in these very trying days of peace. Canada has deliberately given up her chance to get \$3.25 a bushel for wheat, for example, and is selling it to Britain this year for \$2, and up to this year she only asked \$1.55 for it. She could sell every bit of it for American dollars at \$3.25 a bushel, and that would give her lots of American dollars. Instead of grabbing this opportunity to sell her vast products for American dollars, Canada prefers to continue her assistance to Great Britain, not only selling at lower prices than she could get elsewhere, but selling a very large portion of it on credit. It is not very helpful in this debate, not very helpful to try and paint this temporary shortage of United States dollars as a sign that Canada is poor, or that she is financially embarrassed, weak, that is not very helpful to any of us. It is not helping our people to understand confederation to put out such statements.

Canada today is one of the two or three countries in the whole world that has a stable and sound economy. Her banking system is the soundest in the world. Her insurance companies are, to say the least, as sound as any in the world. Her industries are booming, her trade is increasing every day, employment is growing every day. This temporary shortage of United States dollars is a mere drop in the bucket, a mere passing incident, a thing that sounds big today, but will be all forgotten about a year from now.

Now, but for the fact that it is against our rules in this House, I would like very much to read you some of the things said about Canada and Canada's economy in a special section of 14 pages devoted to Canada by the *New York Herald Tribune* a few days ago. That famous American newspaper paid a wonderful tribute to Canada's greatness. At one point that paper tells us...

**Mr. Chairman** Don't quote.

**Mr. Smallwood** No, sir, I am only summarising. At one point the paper tells us ... that democratic Canada and the United States are the only two important nations with the vitality and resources necessary to restore the world to economic