Mr. Maclean then stated that the net debt of Canada, which before the war stood at about $336,000,000 has now passed the billion mark and when the accounts for the past fiscal year are closed it will reach approximately $1,200,-000,000. The increase, he said, is almost entirely attributed to war expenditures.

Coming to trade, the minister said that our exports as the war progressed are showing a greater increase over our imports. In 1913, imports exceeded exports by nearly $300,0000,000. This condition has been so completely reversed that the exports exceed the imports by about $625,-000,000 and our total trade, which passed the billion mark in 1913, exceeded the two and a half billion mark in 1918.

The increase, he said, is attributable to war conditions. Last year our exports to Great Britain were about $680,-000,000, while our imports amounted to about $81,000,000. Our exports to the United States reached $440,000,000, while our imports amounted to $790,000,000.

Mr. Maclean informed the House that in the past three years immigration had reached a total of 202,985, despite the war. Of this total number, 169,640 came from the United States and 20,124 from the British Isles. An important factor in connection with this immigration is that it is very largely composed of experienced farmers.

Referring to the question of exchange, Mr. Maclean said that this had become an acute problem in Canada. The high rate which has prevailed on remittances of funds to the United States has imposed a severe tax upon importers and the public, and if it continues, must diminish imports or add to their cost. Were we able to sell securities in the United States the rate of exchange might have been adjusted or normalized, but Canadians were not permitted to do so. The government did not require, during the present year, to borrow in the United States, even if it were possible to do so, and consequently by such an operation it was not convenient or practical to correct the exchange situation.

"To redress the adverse rate of exchange with the United States", said Mr. Maclean, "We must lessen our imports from that country or the United States must buy more from us, or we must sell securities across the border to the extent of a very substantial proportion of our adverse trade balance. The government has been very diligent in its endeavors to bring about such financial arrangements with the governments of Great Britain and the United States as would materially relieve our people of the burden of the present high rates of exchange. I hope that very shortly we shall be in a position to announce the successful conclusion of negotiations which have in view this end.

In connection with the exchange problem it might be of interest to state that for the first three months of this calendar year our imports from the United States have decreased below that of the corresponding period of last year by over $36,000,000, while our exports have increased in the same comparative period by about $20,000,000."

After dealing at length with the Victory Loan and trade conditions, the minister referred to the commitments of the government for the present year. There would be required, he said, for the civil budget $330,000,000; for war expenditures $425,000,000; for advances to the Imperial Government for financing in part our exports trade with Great Britain $325,000,000. In all $980,000,000 would be required. To discharge this there will be revenue $270,000,000, advances by Great Britain to pay for maintenance of Canadian troops overseas about $300,000,000; unexpended balance of Victory Loan $130,000,000, making a total of $700,000,000. This would leave a probable balance of $280,000,000 to be provided from loans in Canada or elsewhere, if possible.

This is not inclusive of commitments for expenditure on account of the purchase of railway equipment and C. N. R. securities.

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