

that we should note and acknowledge what the United States is doing and planning to do in the task of world reconstruction.

Restrictions Unavoidable But Temporary

I am well aware that the restrictive aspects of this program will come as something of a shock to many Canadians. It is regrettable that such action has to be taken, but to adopt a lesser program would be to risk failure and to invite conditions which would necessitate far more drastic restrictions. The program has to be sufficient to meet the problem. We cannot temporize with our national welfare. The emphasis is on the longer range constructive measures which will steadily work to produce conditions under which the restrictive aspects of the program will become unnecessary. We intend to get rid of these restrictions just as soon as circumstances will permit.

Industry and Public Can Help Make Program Work

The speed with which these constructive measures will produce the necessary results depends to a very important degree on active and vigorous co-operation by business and the public generally. We believe in a free economy in this country and we do not want to get entangled in a massive system of restrictive controls. That means it is up to all of us to make the constructive and basic part of this program work. The responsibilities of business and industry to expand their U.S. dollar-producing activities are clear, and greater opportunities are being provided. Industry has also the responsibility of working and co-operating in efforts to reduce and offset the drain of U.S. dollars which is involved in many of our manufacturing operations. In addition the business community can help greatly by deferring less essential plans for physical expansion. The import controls over capital goods will necessitate reconsideration of a good many such plans, but these controls will be less restrictive and the pressure on building costs will be eased if businessmen carefully re-examine their plans and defer for the time being those which are not urgently necessary. The responsibilities of the general public, if less specific, are also clear. Let us constantly remind ourselves that one of the main reasons for the great expansion in imports from the United States is the high level of consumer purchases in this country. To the extent that we can defer for the time being our larger expenditures and economize in our day to day spending, the dollar problem will be lessened and the upward pressure on prices reduced.

Prosperity Related to World Conditions

The truth is that we in Canada have been living somewhat beyond our means during the last year or more -- not beyond what we could afford if the rest of the world was restored to economic health, but beyond what we can afford in the world as it is today. We cannot expect to be completely prosperous when much of the rest of the world in which we live, and on which we depend for a large part of our trade, is just beginning to recover from the terrible destruction and dislocation of the war.

So we have to make adjustments to bring our national living standard within the limits of what we can afford in the