

*United Kingdom Financing, 1953*

I would personally like to see this bill pass while I am still here. I did indicate to my friend the Chancellor of the Exchequer that I had very little doubt that parliament would ratify it. I would like to meet him in Australia in a couple of weeks from now and be able to say that parliament had approved this bill. If my hon. friend feels that that is unreasonable I am quite willing to let it stand over, but I am hoping we might put it through tonight.

**Mr. Macdonnell:** I think my chief reluctance was my unwillingness to inflict a 15 minute or possibly a 20 minute speech on the house at this time of night. You will at least agree, Mr. Speaker, that I did my best to save my fellow members that pain.

This measure of course is simplicity itself. I do not think any of us will question the propriety of its being done. After all it is merely to prescribe the terms of repayment of the amounts still owing.

This is a matter of international finance. The remarks which I wish to make are directed to the question of international trade. International trade and international finance are, as you might say, Siamese twins. They are two sides of the same shield, and I want, as I say, to make some remarks on trade.

The minister told us, in answer to my question, that this had been dealt with on a purely debtor and creditor basis, of which there is no criticism to be made; but I want to go back and recall to hon. members that when these loans were made there was a vastly different situation. At that time these loans were considered not merely as aids to Britain, but as aids to ourselves. They were considered most important as stimulating our own trade. We must carry our minds back to the fact that in 1946 we were very fearful as to the developments after the war. The government at that time had prepared, quite properly, a shelf of projects to take care of unemployment if it should arise. It is interesting to quote from Mr. Ilsley, the minister of finance at that time, to show how much in his mind was the question of trade with Britain when these loans were made. I quote from Mr. Ilsley, speaking on March 18, 1942, at page 1420 of *Hansard*:

The enormous purchases and expenditures made in Canada by Britain and the rest of the sterling area have, of course, been an important factor in the expansion of production, employment and national income in this country.

And again on the question of loans away back in 1946, at page 1282 of *Hansard* he said:

The whole purpose of this loan is to help Great Britain which is in such a strategic position at the present time if only she is strong enough to assert that position to build up her economy. I am satisfied that in the future it will help us in this country also to attain a higher standard of living.

Thus we can say that at the time these loans were made, Mr. Speaker, we were fearful as to our own position. We thought it was a matter of self-interest to make these loans. I mention this chiefly for the purpose of reminding ourselves of the seven very different years that we have gone through, seven years when we have not been, with one or two minor intervals, so concerned with trade, years when the goose has been hanging high.

You will remember, Mr. Speaker, the various things which came to our assistance; the Marshall plan in 1947-48; the war in Korea which, while it was a very terrible thing, nevertheless economically bailed us out of what was at that time a minor recession, or looked like one.

In that connection I should like to read a statement made by the Minister of Trade and Commerce (Mr. Howe) on March 31, 1950, as reported at page 1430 of *Hansard*:

One very striking fact is in evidence; the seller's market is over. Today all markets are buyer's markets, and in every market the Canadian exporter meets tough competition.

There was more to the same effect. I want to ask, Mr. Speaker—and I shall refer in a moment to the minister's speech of a few days ago—are we now in a situation similar to the one the minister thought we were in back in 1950? It was popular at that time, it has been popular since then, rather, to pooh-pooh some of our foreign markets. The Minister of Agriculture (Mr. Gardiner) when he spoke in this house earlier this year rather pooh-poohed the British market. Speaking of sales at home he said, as reported at page 3224 of *Hansard*:

You will be thinking that as long as you can get the prices you are now getting in the United States and Canada you had better stick to the market you have.

In other words, he was pooh-poohing the idea of the necessity of the British market. I want to read briefly from the statement made the other day at the annual meeting of Barclays Bank by the president of the bank, who surveyed the situation today in these words:

There is reason for concern that Canadians have arrived at the historic peak for their industrial and agricultural output, capital investment, personal incomes and domestic spending during a time of falling world prices, with an attendant slackening off in external demand for their goods.

Later in the same speech he said:

Our country's urgent need is the early disposal abroad of these very large stocks of commodities of different kinds that are superfluous to our domestic requirements, thus easing our topheavy position and helping to slow down the far from healthy and far too rapid rate of increase in our adverse balance of international payments.