

*Supply—Trade and Commerce*

**An hon. Member:** Tory policy.

**An hon. Member:** The worst thing that could happen to Canada.

**Mr. Howe:** I do not know that I need to say any more, but I must say that we are now enjoying the greatest market in England we have ever had. My hon. friend referred to tobacco. We exported about \$11 million worth of tobacco to England last year. England decided it could not afford to buy as much tobacco from North America. The cut-back on Canada was not as severe in proportion as the cut-back on the United States. The British are buying from Canada a proportion of the tobacco they bought last year. In the meantime they are using up the stockpile they built up in the United Kingdom. When that stockpile is consumed they propose to come back to North America for the usual tobacco requirements of the United Kingdom. Let us put that bugaboo at rest. I had a lot more to say—

**Mr. Charlton:** You cannot think of anything else.

**Mr. Howe:** I have listened to such a ridiculous statement by the hon. member. From end to end it is distorted. It is a political speech that is being recited on the platform. There is not an atom of truth in it.

**Mr. Charlton:** You have not disproved it yet.

**Mr. Howe:** Instead of losing markets we are shipping more to the markets we are supposed to be losing. As I say, we have markets for everything that Canada can produce. We have been able to find the very best markets in the world, and as a result the Canadian economy is at the highest point of prosperity it has ever reached in the history of the country.

**Mr. Coldwell:** Mr. Chairman, this is not quite the atmosphere in which one likes to rise for the purpose of discussing a problem of this description.

**Mr. Howe:** We will now have a little bit of sweet reason.

**Mr. Coldwell:** No; I do not know that you will. What I was going to say was this. The minister this afternoon has given us an optimistic forecast of the immediate future of trade and commerce in our country. I agree with him in this respect. Canada has been exceedingly fortunate in the post-war years. I think of the prognostications that were made by various officials of the Department of Labour, the Department of Trade and Commerce and by other departments of government, as well as economists in almost every country in the world, to the effect that

[Mr. Howe.]

in the post-war period we should face a severe depression which would test the rather vulnerable economy of Canada.

**Mr. Heiland:** What about the C.C.F.?

**Mr. Coldwell:** We simply repeated them.

**Mr. Heiland:** And believed them.

**Mr. Coldwell:** May I say that the prognostications that we gave were the prognostications that were given by the Department of Labour of this government, and by the outstanding economists all across the world.

**Mr. Sinclair:** By the Minister of Trade and Commerce?

**Mr. Coldwell:** Let me say this. What was it that changed the picture?

**Mr. Ferrie:** C. D.

**Mr. Sinclair:** C. D. Howe.

**Mr. Coldwell:** Just let me say this. I am not going to take from the Minister of Trade and Commerce any credit which is his due. I have a high regard for what the Minister of Trade and Commerce did during the war and for what he has done since the war. I am not going to say one word whatever to detract from that record. I am, however, going to say this. We were fortunate, and the Minister of Trade and Commerce was fortunate, because of what happened. We had UNRRA demanding goods and services that we could supply. We had the Marshall plan in which we were able to participate. Then, just as there was something in the nature of a slight recession falling upon the world, we had the regrettable outbreak of the Korean war and the demands of the new armament industries. Of course we now have had NATO and the demand for further raw material and so on.

All this has kept the economy of the North American countries at a high level of production. As long as this situation continues we are likely to see a high level of production. No one person can take credit for that situation. It was rather an unexpected windfall for the ministers of the governments that now enjoy the high level of prosperity in North America and elsewhere.

In his introductory remarks the minister referred to the decline in the cost of living. I think that a decline should be welcome; but let me point out again that the present decline in the cost of living is largely reflected in the loss of revenue in the agriculture industry. If we are going to have a fall in the cost of living, let it be a fall all the way round, so that its impact is not on one industry alone. Usually a decline in agriculture prices, thereby causing a fall in the cost of living, is a sign of some recession in the economy. I hope it is not so in the present instance. The minister