

The Address—Mr. Diefenbaker

and death power over industry. Businessmen, if there are any who think that the present situation is difficult, should think back to those days; for then the businessman had to show the government that a project was, according to the government's view, in the interests of the national economy, otherwise import permits could not be issued.

What did Mr. Howe say? He said:

Since our supply of U.S. dollars is limited, it must in effect be rationed.

The situation before the 1947 program was that official holdings of gold and United States dollars was going down, he said, at an alarming rate. We can look at the legislation that was enacted. Certain imports were prohibited, 171 separate tariff items. Schedule II quotas were established for fruits, vegetables, textiles, leather products, soap, cutlery, watches and even coffee, 146 separate items. Then a permit system under the minister of trade and commerce was instituted which provided for capital goods such as machinery, heavy building materials, machine parts and the like, totalling 89 items.

There is the situation in 1947. Yet we are told how unusual is what has taken place recently. Mr. Speaker, as I listen to the Leader of the Opposition spinning his tales of woe I wonder sometimes whether these are gloomy comparisons of a disturbed imagination. Why not face up to the situation? Why endeavour to lead the people of Canada to believe that because we stated during the election campaign that the economy was on the up and up—and it is, and it has continued since the election—these things therefore could not take place? Was it mismanagement—

Mr. Martin (Essex East): Yes.

Mr. Pearson: You bet.

Mr. Diefenbaker: —in 1947?

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): In 1962 it was mismanagement.

Mr. Diefenbaker: Who created the mess in 1947?

Mr. Hees: The Liberals.

Mr. Diefenbaker: Let your conscience be your guide, I say to the hon. member for Essex East.

Mr. Pearson: Full employment.

Mr. Martin (Essex East): Mr. Speaker, since the hon. gentleman asked me a question I will be glad to give him an answer.

Some hon. Members: Sit down.

Mr. Martin (Essex East): You asked me a question. You do not want an answer.

[Mr. Diefenbaker.]

Mr. Churchill: You could not give one.

Mr. Diefenbaker: We are affected by what happens outside our country. We are affected by the international situation. We are affected by economic conditions in other countries. We brought into effect the pegging of the dollar.

I intend to deal with that for a moment. We fixed the dollar at 92.5 cents U.S.. What we did in that connection has been of substantial help to Canadian exporters and to Canadian producers competing for the home market, as well as to the Canadian tourist industry. I do not intend to quote from anybody's book today, but I am sure the hon. member concerned will know whose book I am thinking of when I point out that he described similar action in this regard and said it would be helpful. The pegging of the dollar brought added stability to the international exchange situation, and the decision to fix it was warmly welcomed by the international monetary fund whose membership comprises representatives of the free world.

Our action in pegging the dollar—oh, how it was ridiculed during the campaign as a means whereby they could describe the kind of dollar—meant that the highest records could be set in exports. That is what we said. That is what turned out to be the case. We said that at the time Canadian exports had reached all time peaks.

I mentioned tourism a moment ago. Let me give the house the figures which resulted from the pegging of the dollar. Hon. members opposite ridiculed it, of course. They said prices would rise.

Mr. Martin (Essex East): They did rise.

Mr. Diefenbaker: I will give figures showing how they did rise, not just Essex East statistics.

Here is what Alan Field, the director of the Canadian travel bureau, said in a speech in Montreal:

I believe that with all the factors presently at work... that this year... for the first time since 1951, Americans will have spent more in Canada than Canadians have been spending on travel to the United States, and that this Canadian travel industry which last year earned for the Canadian economy more than any other export except newsprint and wheat, will show the surplus on the international balance of payments.

This is what hon. members opposite ridiculed. This is what they said would destroy Canada. They went around and threw out those myriads of documents which they did not dare stand behind; they did not dare place the name on them as having been printed by the Liberal association. They distributed them all over Canada showing how prices were going to rise. I simply point out these facts so that the record may become reasonably clear.