

*The Address—Mr. Howe*

**Mr. Drew:** Tell us about water power.

**Mr. Speaker:** Order.

**Mr. Graydon:** As soon as you mention hydro he wants to get up again.

**Mr. Rowe:** He is afraid the light will go out.

**Mr. Howe:** Thank heaven the lights are on.

**Mr. Casselman:** Why are you talking to yourself rather than to the house?

**Mr. Howe:** If I may resume my dissertation on foreign trade—

**Mr. Graydon:** Get away from hydro.

**Mr. Speaker:** Order.

**Mr. Howe:**—I spoke of the investment program during the war years, a program that called for an investment in productive facilities exceeding \$8 billion.

**Mr. Drew:** You were not speaking to yourself that time, were you?

**Mr. Howe:** I might as well be from the point of view of getting any intelligence out of my hon. friend. If he will keep quiet now—

**Some hon. Members:** Oh, oh.

**Mr. Howe:** Mr. Speaker, my hon. friend—

**Mr. Speaker:** Order.

**Mr. Howe:**—has occupied the time of the house for five times as many minutes as any other member. Perhaps he will keep quiet now.

**Some hon. Members:** Hear, hear.

**Mr. Howe:** The gallery will have to be disappointed this time.

**Mr. Speaker:** I ask hon. members not to interrupt the right hon. minister, who has the floor. Again I call the attention of hon. members to the fact that it is the duty of the Speaker to preserve order in the house.

**Mr. Howe:** The high level of investment policy did not end with the ending of the war. Monetary and fiscal policies assisted industry to convert its factories from war to peace, and conversion was followed by a further great expansion of industry. Between January, 1946, and December 31, 1948, capital was invested in plant and equipment exceeding \$7 billion. This represents the highest rate of capital investment in relation to either income or population in the western world during that period.

That investment resulted in the establishment of many industries that were new to Canada, industries that tended to round out our economy, and to make Canada more self-sufficient as far as industrial production is concerned.

[Mr. Howe.]

In November, 1947, as hon. members will remember, we found it necessary to introduce the Emergency Exchange Conservation Act. That was necessary to stop the drain on our American dollar balances which resulted from buying in cash in the United States and selling on credit in European countries. The operation of the Emergency Exchange Conservation Act has further tended to round out our economy. It was necessary to limit expenditures, for the purchase of goods in the United States, to those goods which were essential to the maintenance of our economy in an efficient state. The restrictions had the very decided effect of stimulating the manufacture of components and completed articles which had previously been imported, not because they could not have been made just as well in Canada, but because it was easier to import them than it was to organize their production in this country.

Increased exports of manufactured products did not stop during that period. Even though imports were reduced, our manufacturers were able to provide from Canadian sources the components that they formerly imported, and continued to step up production. All conservation measures were introduced only after consultation with industries to make sure that the measures, even though they were stringent in character, were not introduced in a way that would upset normal manufacturing practice. I shall speak later about the improved position of the dollar arising from that program and the manner in which the dollar saving was brought about.

I should like to mention foreign trade. I know that the member for Lethbridge (Mr. Blackmore) does not believe in foreign trade. He believes in economic self-sufficiency.

**Mr. Blackmore:** The hon. member knows nothing of the sort.

**Mr. Howe:** All I know is what I hear, and that is what I have gathered.

**Mr. Blackmore:** The hon. member has never heard that from me in his life.

**Mr. Howe:** A high level of foreign trade does not coincide with the theory of economic self-sufficiency. If it is economically self-sufficient, a country produces all it requires, and neither has goods to sell nor requires to import goods from abroad. That is my understanding of economic self-sufficiency.

**Mr. Rowe:** Would the minister name some of those countries?

**Mr. Howe:** I could give an example. I suppose at the time of Champlain the Algonquin Indians were in that position. They were not exposed to foreign trade. They were not particularly prosperous either, so far as I have been able to ascertain.