

textile industry it seems to us that there has been over-production in our country and over-production in other countries as well. Our industry for the manufacture of agricultural machinery is rather slack. That depends principally upon the fact that we have not been able to export as much as we had before. Our own purchases have also fallen off by about 10 per cent. They are making the kind of instruments now that don't wear out in one year, you know, and when a man has bought one he doesn't buy a replacement as long as that one is any good. After the war there was a great demand for agricultural machinery, and fortunately in our country we had good crops, we found good markets, we exported at good prices, and our agricultural producers had good incomes and they bought a lot of farm machinery. But they are going to take care of it and they are not going to replace it until it has to be replaced, and that has brought about some slackening in that section of our economy. Our forecast for 1954 is not below our realizations for 1953, and we have information that the capital investment is going to continue at the same very high rate as prevailed in our country for the past five or six years.

Question: Do you think trade with the Communist countries will help the position?

I don't know. We still have some trade with the totalitarian countries but not very extensive, and of course we are not one of the big countries. We follow along. We do not make world conditions but we try to take advantage of them, not unfair advantage; we think we give value for value received. We do not make the conditions of world trade. We have been doing our best for years to promote multilateral trade because you cannot have an exact balance between two countries. Some countries buy more from us than we buy from them. Other countries from which we buy more, buy less from us. We have been struggling as best we could to bring about a situation where it was only the over-all balance that mattered and you did not have to sell to exactly the same people you bought from.

Question: Would you say the Commonwealth had failed because there were disagreements between its members?

As I conceive the Commonwealth, you know, it has no authority over its members. What it can do is exercise good offices and give good advice. We in Canada would rather resent it if other countries of the Commonwealth attempted to tell us how we should behave, even towards another Commonwealth country. We think that the real stability of the Commonwealth is founded upon the impression of each one of us that we remain masters of our own affairs and that no one is going to feel entitled to dictate to us. I personally have never been very much impressed with the suggestion that there might be some kind of a Commonwealth court. That has not seemed to me to be something that would really strengthen the Commonwealth as such.

Question: If there are Canadians of Chinese origin, have you any Communist problems in Canada?