

answer is that there certainly was not. Our commonwealth is no Sahara Desert: we have the raw materials, so why not produce and distribute the goods?

Let us enumerate the commodities which form the real basis of international trade: wheat, rice, other coarse grain, cotton, wool, steel, base metals, precious metals, minerals, fish, lumber, oil, rubber, sugar, livestock—including leather—beverages, fruit, vegetables, dairy products, fats and coal. If we look around and take stock we will find that the British Empire, with a possible shortage in oil and cotton, can produce about all of these commodities, so essential to good living. Since the loss of Egypt the cotton supply within the Empire has not been great; but if Alberta comes through with oil, as we believe it will, our supply of that commodity will be solved for this generation anyway.

We can safely say that the English-speaking world has everything it needs now for a prosperous trade, so why should we go out of our way to play the communistic game? The barriers that have been set up against Empire trade are man-made, artificial, and are mighty shortsighted, and we are going to pay dearly for them. The excuse that the friendly markets of the Empire had to be forsaken and that deals with hostile countries were necessary because in those countries dollars were unavailable to purchase certain needed commodities, does not hold water at all. In fact, such reasoning is far from common sense. In the first place it was self-evident to anyone with experience in world trade just what the communists would want in return, and how embarrassing it might be to fulfil Soviet requirements. This is the way it has turned out.

In the second place, how could any democratic nation hold up the dignity of labour and accept goods from a nation who was producing them with the help of slave labour to the extent of thirteen or fourteen millions of people? According to the press these people went without a clothing or bedding allowance, and received only a pound and a half of black bread per day plus two bowls of barley soup, without fats. Possibly the nigger in the woodpile is the fact that Russian goods produced by slave labour were cheaper. That would certainly be an ignoble reason, and one that could not be defended.

As to the stock answer that dollars were not available for trade with Canada, let me tell honourable senators that there were plenty of dollar reserves from which to draw. England holds nearly a billion and three-quarters' worth of Canadian securities that could be turned into dollars over night. The dollar problem is one of financial bookkeeping: it is entirely artificial. Both the Old

Country and Canada are paying financial experts large salaries, so does anyone mean to say that there would be any difficulty in working out a plan whereby a billion or more dollars could have been placed in this country as a commercial trade credit for England and the Empire for the purchase of lumber, fish, coarse grains and many other commodities that we produce, and which are now supplied by Russia? It would be a simple transaction, and it could have been put through at a very low rate of interest, if any, because the ordinary profit of trade would furnish due compensation. The economic problem of any country is a matter for its own citizens first, and the initial sacrifice, if any, should be made by them. Enough Canadian securities held in England could have been pooled in the Bank of England to cover a loan that would have entirely supplied all the dollars needed, and our Commonwealth could have kept out of these obnoxious barter schemes that have so disrupted and embarrassed it.

I think Canada could show greater leadership in the promotion of empire trade. After all, this country is First Mate on the Empire ship. Take a look at Australia—a country rich in natural resources and with an assured future. It has a great people. The result of the present war in the Pacific means everything to them, and their airplane pilots have been in the front line since the start of the fighting in Korea. Australia is going through an emergency period, but the country's credit is gilt edged. For years United States loans have been made to Australia, and they have always been paid. Australian bonds are listed on Wall Street and have a fine rating. Recently when Prime Minister Menzies was in the United States he arranged a further loan of \$300 million, which of course will be spent in that country. I do not know whether or not he intimated to Canada that a credit would be appreciated. There is an old saying that a person seeking a loan will usually apply to an outsider rather than to a relative, for he thinks his relatives know of his situation, and, that if they can help they should volunteer to do so. We should give credit to Australia if it is needed. Also, if a credit in Canadian dollars will help South Africa or our own West Indies, we should not wait for any one of these great countries to come to us hat in hand. We should offer them immediate aid, if it is required, for we know that the future of every one of them is beyond imagination. They have real wealth, which is what counts; and their people have a way of life like ours, and desire to defend the same institutions that we love. Any loans made to these parts of the empire would be one of the best and most far-sighted investments that this country could make. They would contribute greatly to the building up of empire